

Secretary Albright U.S. Policy Toward Africa

March 19, 1998

Address at an event cosponsored by the African-American Institute and George Mason University, George Mason University, Fairfax, Virginia (introductory remarks deleted).

I am very, very pleased to have the opportunity to speak here this morning. Excellencies from the diplomatic corps, members of the university community, guests and friends; Dorothy Height—it's a pleasure to have you here. I am deeply honored that you came, and it's always wonderful when you are in the audience.

I must say that as a former professor, I love academic surroundings. As Secretary of State, I have never valued them more, for without education, there would be no democracy, no law, no peace, no possibility of human advancement. That's why I am especially pleased that this event is being sponsored by the African-American Institute. This Institute understands that education is the key to empowerment and the foundation of achievement.

Other organizations talk; the AAI does. Others generate paper; AAI produces people with skills and the knowledge they need to make a real difference in the future of an entire continent. The list of those helped by AAI is filled with people who are contributing to fields from business and medicine to public service and art. I am very glad to be able to discuss with you United States policy toward Africa and to provide a preview of the President and the First Lady's trip to that continent next week.

This historic visit will be the first comprehensive trip to Africa ever undertaken by a sitting American President, and it is occurring at an especially auspicious time, for a new generation of Africans has come of age—raised in the era of independence, liberated from Cold War divisions, and determined to assume an equal place at the world table.

As a result of their efforts, within the past 10 years, the number of democratically elected governments in Sub-Saharan Africa has more than quadrupled. More than three dozen nations have begun economic reforms, so that the lost decade of the 1980s is being replaced by the growth decade of the 1990s. Economies are

expanding. U.S.-Africa trade is booming. Today, we export more to Africa than to all states of the former Soviet Union combined. Meanwhile, nations such as Ethiopia, Eritrea, and Mozambique have completed the journey from conflict to peace; others, such as Angola and Liberia, are on the right road.

Africa continues to face daunting problems of poverty, debt, and instability. In many countries, the democratic experiment has barely begun, and the Great Lakes region remains a tinderbox. We cannot—and are not—ignoring these challenges. But we also want the President's visit to spotlight the other Africa: the new and forward-looking Africa; the Africa that is eager to participate fully in the world economy.

This broader focus is important for two reasons. First, we as a nation still have much to learn about Africa. For many, our impressions are dominated by images of famine and strife, exotic wildlife, and vast deserts. The President's trip can help paint a more complete picture, including modern cities, first-rate universities, fast-developing economies, and hardworking people with aspirations very similar to our own.

Second, the people of Africa should understand—and many of them need convincing—that when the United States says it wants to work with them on the basis of shared interests and mutual respect, we are not just blowing smoke. We mean it—and in a big way over the long term—not only because it is right, but because it is smart.

Today, connections among nations exist on so many levels that peace and prosperity are contagious. But so, too, are chaos and conflict. People everywhere will benefit from an Africa that is growing, developing strong institutions, and taking firm charge of its own destiny. But we also understand that the nature of the relationship between Africa and the rest of the world has changed.

It used be that U.S. policymakers, when they thought of Africa at all, would ask, what can we do for Africa, or what can we do about Africa? Today, the right question is what can we do with Africa to build on the progress that is being made and to encourage other nations to resolve conflicts and to move from authoritarian to more open economic and political systems.

Over the next 10 days, the President and the First Lady will visit six African countries and attend a summit in Entebbe hosted by Uganda's President Museveni [see box below]. Throughout, they will promote two overarching goals. One, which I will discuss later, is to work with Africa to defeat global threats. The other is to accelerate Africa's full integration into the world community and the global economy—and, by so doing, to establish lifelines of commerce and investment that will help Africans reduce poverty, raise living standards, and equip their people with 21st-century skills.

To spur progress and promote U.S.-African trade, President Clinton announced last June a Partnership for Economic Growth and Opportunity. Under that plan, we are committed to helping Africans who are doing the most to help themselves by granting duty-free access to U.S. markets for many African products; by increasing our technical assistance to help Africans profit from the opportunities inherent in a dynamic world economy; by paving the way for hundreds of millions of dollars in new investment; by working to extinguish African debt, both bilateral and multilateral; and by meeting annually with African leaders to map plans for economic cooperation and mutual advancement.

This past week, the House of Representatives endorsed the President's approach by approving the African Growth and Opportunity Act. This bill was sponsored and approved on a bipartisan basis. It enjoyed key backing from the African diplomatic community. It embodies our strategy for placing trade and investment at the forefront of our relations with Africa. And it reflects a firm, broad-based

commitment to the African people by the representatives of the people of the United States—all of which makes it even more important that the U.S. Senate join the House and approve this legislation as soon as possible.

Although trade and investment are increasing in importance, we cannot, and have not ignored the continuing need in many parts of Africa for aid. We have contributed more than \$15 billion in assistance to Africa this decade. An increasing focus of our programs is the empowerment of African women. We have found that when women gain the knowledge and power to make their own choices, they are often able to break out of the cycle of poverty: Birth rates stabilize; environmental awareness increases; the spread of sexually transmitted disease slows; and socially constructive values are more likely to be passed on to the next generation. This is how social progress is made and how peace and prosperity are built.

Today, throughout Africa, we find grassroots organizations made up of women and health care practitioners, educators, and small farmers who are reaching out to create the foundations of a civil society, to build the future from the ground up—often despite great hardship and poverty and prejudice.

American policy is to support these efforts and to strengthen them. That's why I met with several such groups during my recent trip to Africa. It is why I am so grateful to the First Lady for her efforts to inspire community-building efforts around the globe. And it is why I will continue to work closely with Congress and USAID, and with American non-governmental organizations, to see that we have the resources we need to support the programs that work to aid people who deserve our help.

It is essential to sow the seeds of prosperity if Africa is to become a full participant in the world economy. It is also necessary to build democracy. In this decade, people everywhere have learned that democracy is a parent to development, for people who are free to choose their leaders, publish their thoughts, organize their labor, and invest their capital will build richer and more stable societies than those shackled by repression.

As President Clinton will stress during his trip, free elections are necessary—but not sufficient—to create democracy. And that is why we are working in 46 African countries to assist homegrown efforts to develop durable and effective democratic institutions. The fruits of these efforts will be on display in several of the countries on the President's itinerary, including South Africa, whose peaceful transition from apartheid to multiparty democracy is one of the landmark events of this century.

The President and the First Lady visited Ghana, Uganda, Rwanda, South Africa, Botswana, and Senegal March 23-April 2, 1998.

For more information on the President's trip to Africa, see the White House website at www.whitehouse.gov/Africa.

For more information on U.S. policy toward Africa, visit the State Department's website at www.state.gov/www/regions/africa. □

I remember a few years ago when Deputy President Mbeki became the first representative of a democratic South Africa to address the UN Security Council. As the American representative, I sat there—as ambassadors are wont to do—and after Mr. Mbeki finished speaking, I applauded politely. What I really wanted to do was stand on my chair and shout “Hallelujah.”

For decades at the UN, the very name “South Africa” had summoned forth only sanctions and shame. Mr. Mbeki’s statement marked its transformation into a symbol of hope—living evidence that no evil is so great that it cannot, through courage, principle, and sacrifice, be overcome. Today, our relationship with South Africa has moved beyond the celebration of its transition to become one of our most serious, wide-ranging, and mature.

We share South African concerns about challenges posed by crime and uneven development. We consult often on regional and global issues. And although we do not always agree, we have developed a strong friendship based on shared values and on the commitments to prosperity, stability, and justice our people have in common.

Unfortunately, the democratic trend so evident in South Africa and in other nations—such as Mali, Senegal, Ghana, and Botswana—is not universal. Many countries have found potholes on the road to participatory democracy. In some, even elected leaders have placed undue restrictions on political activity, press freedom, and the work of NGOs.

We Americans understand that every democracy, including our own, is a work in progress. We recognize and respect diversity in the democratic institutions of other countries in the West, in Latin America, central Europe, and Asia. We should respect diversity in Africa as well. But we cannot retreat from our conviction that human rights are universal, or from our knowledge that democratic values, stability, and prosperity go hand in hand.

In many African societies, national identities and institutions are fragile. A regime that suppresses the rights of its people will destroy the very foundation upon which a united and prosperous nation may be built. A regime that respects those rights will empower its people, no matter how diverse, and create in them a sense of ownership of the nation’s institutions and a commitment to its future.

Without compromising our principles or our standards, we will sometimes be engaged in Africa, as elsewhere, with countries that have flawed governments. Some of these nations are struggling against long odds to recover from natural disaster or war. Many have been victims in the past of Cold War manipulation

or neocolonial ambition. We could walk away from these societies to avoid any appearance of support for policies we do not endorse. But that would do the people no good at all, and it would not pursue anybody’s interests.

We will encourage our friends in Africa to take steps in the right direction, even if those steps are small. Moreover, we will continue to press the case for freedom and human rights. And we will join with Africa’s best leaders in declaring that the era of the big man who comes to power, stays for life, and robs his country blind, is over. A new era of ever-deepening democracy must be built.

And nowhere is the need greater, or its significance for the future of Africa more profound, than in Nigeria and the Democratic Republic of Congo. Nigeria is large and influential, with an ancient culture and a democratic past. Now it has entered a period of historic decision. If its government makes the wrong choice, Nigeria’s future will be clouded by increased isolation and by a reputation for political backwardness and corruption. If it makes the right choice, Nigeria’s vast potential could be unleashed to the benefit of its people—and Africa as a whole.

Three years ago, the regime headed by General Abacha pledged a genuine transition to civilian rule. Now he must make the right choice and keep his word. He must allow a real transition, not a phony or a cosmetic one. If Nigeria’s promise is to be realized, political prisoners must be released. The harassment of NGOs and human rights monitors must end. A free press must be allowed. And there must be a true election, conducted under fair conditions, resulting in civilian rule.

What Nigeria is to Africa’s west, the Democratic Republic of Congo is to Africa’s heart. Here, too, a moment of historic decision is at hand. Two months ago, the new government, headed by Laurent Kabila, inherited a

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country that was divided, demoralized, and broke. Unfortunately, President Kabila has done little thus far to bring his people together.

The United States is committed to engagement in the Congo because the stakes are so high. If the nation were to disintegrate into factional violence, the future of the entire region would be imperiled. But our engagement is not intended to embrace or support any particular leader. I have personally urged President Kabila to lift the ban on political party activity, release political detainees, protect civil liberties, and respect human rights.

The Congolese people have suffered for too long. They deserve the chance to build a future better than the past. That is why we will go forward with our effort to promote a stable democracy with or without the full cooperation of the government.

Throughout the President's visit to Africa, the issue of conflict prevention will be prominent. A society cannot progress if it is being ripped apart by violence. And a region cannot integrate itself into the world community if nations within it are disrupting stability, generating refugees, deepening ethnic tensions, and illegally trafficking in arms.

The United States is sponsoring the Africa Crisis Response Initiative to enhance the capacity of African nations to prevent and contain disasters. This is part of a larger international effort and corresponds to the desire within the region to find African solutions to African problems.

The President will review with his counterparts a number of specific situations, including efforts to overcome the remaining obstacles to a durable peace in Angola. And he will express support for efforts to counter terrorism and to negotiate a peaceful end to the long and destabilizing civil war in Sudan. He will also announce concrete steps to promote stability, democracy, and the rule of law in the troubled Great Lakes region.

One of the most unforgettable moments in my previous job as U.S. Ambassador to the United Nations occurred in Rwanda a couple of years ago. I visited a church where many of the victims of the 1994 massacres had sought refuge, only to be killed and dumped into a mass grave, from which bodies were only then being excavated. I don't think I have ever seen a place more beautiful or a sight more horrible. There is no forgetting genocide. And there can be no true reconciliation without accountability. But neither can there be a real future for the Great Lakes region unless the cycle of violence and revenge is broken. This will only happen if the peoples of the region—Hutu and Tutsi

alike—find a way to live and work together peacefully, as they did for so many years in the past.

African leaders can help by pointing to African models of cooperation and by advocating nonviolent solutions. And the United States can help by supporting these efforts and by working with the countries involved to promote reconciliation; broaden political participation; lay the groundwork for economic recovery and—through the President's Great Lakes Justice Initiative—help build systems of justice that are credible, impartial, and effective.

Ensuring justice is essential in this region, because people who have survived terrible violence deserve to know—and will not be able to live normal lives unless they know—that the experience will not be repeated. That requires a recognition on all sides that those who initiate violence will be opposed, held accountable, and stopped. Tragically, we have not yet fully reached that point.

Last December as I was leaving Rwanda, another massacre of innocent civilians occurred, and I sent back my special adviser on war crimes to investigate. Clearly, the Rwandan extremists who have been exploiting ethnic fears and goading their people into violence are false prophets. They have led their people into misery and exile. They have made their followers victims and, worse yet in too many cases, murderers.

There is an opportunity now to move ahead on the basis of international norms. Leaders in Rwanda and Burundi have made a commitment to do so. In both countries, there are growing efforts from the national level to the grassroots to marginalize the extremes, end the killing, and establish political and social networks based on interethnic cooperation. President Clinton's goal, as a participant in the Entebbe summit, will be to encourage this fragile process and to consult with African leaders on bold ways to strengthen and sustain it.

As I said earlier, the second overarching U.S. goal in Africa is to work with the region to counter global threats. Frankly, we have not always paid as much attention as we should have to these challenges in Africa. But now, we are determined to move ahead on all fronts to develop a continent-wide counter-narcotics strategy; to foil the efforts of rogue states to gain a foothold for terrorists; to end the threat posed by land mines to civilians everywhere in Africa by the end of the next decade; to fight malaria and prevent AIDS; and to promote environmental best practices and join Africans in ratifying the Convention to Combat Desertification.

I want to note here that in carrying out this agenda, the United States and Africa have no greater ally than the United Nations under Secretary General Kofi Annan. We work with him, with the UN Development Program and UNICEF, and with the UN High Commissioner for Refugees, every day, on every part of the continent.

So let me insert a plea. For the sake of American leadership; for the sake of the millions of men, women, and children each year whose lives are enriched or saved by United Nations programs in Africa and elsewhere; for the sake of elementary honor and pride, the time has come—this year, this spring, now—for Congress to put aside unrelated issues and pay our UN bills.

During their visit to Africa, the President and First Lady will emphasize America's desire to develop productive and lasting relationships throughout the continent. They will convey our pledge to consult with African governments regularly about opportunities and problems, both urgent and long-term. Above all, they will articulate a message, which we hope Africans and Americans everywhere welcome—that a new chapter is beginning in U.S.-Africa relations, and it is a chapter with many pages. The President's visit is a dramatic beginning but only a beginning. I will be returning to Africa. Other Cabinet members will visit regularly. And the President's special envoy for democracy, the Rev. Jesse Jackson, will continue to play an indispensable role.

Before becoming a diplomat, I was a professor who specialized in the study of history and political science. And no lesson is more central to history than that circumstances change and the fortunes of societies rise and fall. History provides no guarantees, but neither does it impose artificial limits. And for Africa today, the reality is starting to catch up with the dream.

Nelson Mandela said once that, in the history of nations, generations have made their mark by appreciating critical turning points and seizing the moment. A new and better life will be achieved only if we shed the temptation to proceed casually along the road; only if we take the opportunities that beckon.

I am determined that the United States do all it can to assist the people of Africa as they seize the opportunities that beckon today. That is the best way to bring the international system in which we Americans have the largest stake up to its full strength. It is the smart thing to do for our economy, our security, and our interest in a world free from global threats. And it is the right thing to forge productive partnerships with people who share our values, our interests, and our commitment to the future.

To this new partnership for the new century, I pledge my own best efforts for as long as I am Secretary of State. And I respectfully ask your wise counsel and full support. Thank you very much. ■

Secretary Albright

Making Progress Toward A Lasting Peace in Bosnia

March 18, 1998

*Statement before the House National Security
Committee, Washington, DC.*

Thank you, Mr. Chairman, for offering me the opportunity to tell you about the progress the Bosnian people are making toward a lasting peace and to ask your support for our continued participation in the NATO-led force there, as well as the assistance programs that, with the extensive contributions of our partners, are helping make peace self-sustaining.

It has been more than two years since the United States led the effort to stop the war in Bosnia. Now as then, American interests are ill-served when aggression is undeterred, hatred unleashed, and genocide unchecked and unpunished in the heart of Europe.

A stable peace in Bosnia is essential to stability in the Balkans, which have so often been a flashpoint for war across Europe. Only with peace can we build a Europe that is whole, peaceful, and free—a goal that will help ensure that U.S. troops need never again cross the Atlantic to fight a war. A durable peace in Bosnia will deny a field of operations to the drug-smugglers, international criminals, and terrorists who seek out instability and flourish in the midst of chaos. A real peace in Bosnia will contribute to regional prosperity, in which our own economy and those of our allies have a stake; and that in turn will help counter the voices of extremism, hatred, and violence. And a just peace in Bosnia will help embed the values of democracy and tolerance to which many Bosnians aspire, the same aspirations which have motivated thousands of Americans to give time and money to the Bosnian cause; and the aspirations which inspire and sustain our armed forces and diplomats on the ground.

For the time being, Mr. Chairman, NATO's presence is essential to peace in Bosnia. And U.S. leadership is critical to NATO's success, and to its future.

Before discussing how far we have to go in Bosnia, let us not forget how far we have come. Let us not forget the years of ethnic cleansing, mass rape, indiscriminate shelling, bombed-out apartments, and premeditated massacres.

Neither should we forget the uncertainty, insecurity, and devastation the parties faced after the war, when the Dayton accords were signed and the process of building peace began. One in every 10 Bosnians had been killed or injured in a war that breached every law of decency—a war that had no end short of the total annihilation of one side. Of the survivors, 5 in 10 had been displaced from their homes, 8 in 10 were relying on the UN for food, and 9 in 10 were unemployed.

At the time, there were many who said that Bosnians would never again be able to live together, that NATO soldiers would be subject to frequent attack, that democratic institutions could not take hold, and that peaceful elections could not be held. In truth, the implementation of Dayton did get off to a slow start, but last May, President Clinton made the decision to press for a reinvigorated effort on all fronts, and the progress since has been impressive and sustained.

Frustration that the NATO mission has taken longer and cost more than was originally anticipated is understandable; tough questioning of Administration plans for this next stage is highly appropriate. We, ourselves, have made a similarly searching review. But giving up now would be misguided—and harmful to American interests.

Moreover, far from becoming entrapped in an endless quagmire in Bosnia, we have been able to reduce our troop presence; far from finding ourselves Bosnia's permanent administrators, we are handing more and more responsibility back to multi-ethnic institutions; and far from giving up on justice, we have stepped up the work of the War Crimes Tribunal.

We have turned things around because so many Bosnians are determined to rebuild their country and live in peace; because our armed forces are doing their job with their customary skill and with renewed vigor; and because our efforts have enjoyed bipartisan congressional understanding and support.

Today, I ask your help in obtaining the funds we need to sustain our troops and maintain our share of the international community's assistance for Bosnian reconstruction. I also urge that you vote against the "Bosnia War Powers Resolution," H. Con Res. 227, which the House is scheduled to consider later today.

I understand that there are varied motives for testing the constitutionality of the War Powers Resolution, but this particular measure would do severe harm to U.S. credibility at a moment of high tension in the Balkans and elsewhere. It would send a message of confusion and uncertain resolve that could slow the peace-building process, discourage our allies from taking a larger share of responsibility, and possibly cause extremist leaders to seek renewed influence—with potentially deadly consequences.

In just the last 10 months, we have come a long way toward meeting the six core goals President Clinton set for reinvigorating the implementation of Dayton:

- Promoting a stable military situation to minimize the prospect of renewed fighting;
- Improving the ability of local law enforcement authorities to provide public security;
- Advancing the development of democratic institutions that govern in accordance with the rule of law;
- Securing the safe return of more displaced persons to their homes and enabling Bosnians to move freely throughout their country;
- Bringing to justice more of the persons who have been indicted for war crimes and other atrocities; and
- Enhancing economic reconstruction and inter-entity commerce.

Around Christmas, I went to Bosnia with the President and Senator Dole and a number of Members of Congress, including Congressmen Skelton, Kasich, and Buyer. I know that Representatives Abercrombie, Boyd, and Fowler were in Bosnia just 10 days ago. Many others of you have also seen firsthand the immense challenges that the advocates of peace face in Bosnia. But if you have occasion to visit Bosnia more than once, I suspect you will see welcome change on every visit. You will see more and more signs that economic and political life are returning to normal, more and more places where people of different ethnicities are again living and working together, and more and more Bosnians gaining faith that the logic of peace can win its race against the senselessness of war.

Let me discuss the progress I have seen toward meeting our core goals and building a self-sustaining peace in Bosnia, ensuring that when American troops leave the country, they leave for good.

Military Stability

Since Dayton, IFOR and SFOR successively have worked with the parties to separate armed forces and decommission more than 300,000 troops. An arms control process overseen by the OSCE has resulted in the destruction of more than 6,600 heavy weapons—the same weapons that rained terror on Sarajevo and other cities only three years ago. All heavy weapons remain in cantonment under SFOR supervision. SFOR continues to confiscate forbidden types of weaponry and to discipline units of any side found to possess them. And SFOR support for the removal of anti-personnel landmines is helping train Bosnians to eliminate that terrible legacy of conflict.

Our troops, and those of our NATO allies and non-NATO partners, have done a tremendous job. But establishing stability from the outside will not be enough to maintain peace from the inside, after our troops are gone.

For that reason, we have also used our Train and Equip program to create a stable military balance and a secure environment within Bosnia. This program has been successful in reducing Federation military forces from 250,000 to 45,000; removing Iranian and other extremist foreign influences from the Bosnian military; building and strengthening joint Bosniak-Croat defense institutions; and ensuring compliance with the arms control obligations intended to help stabilize the situation in Bosnia.

Public Security

As the false promise of security through military aggression recedes from Bosnia, it must be replaced by the real promise of safety among peaceful citizens, founded on professional, impartial, and reliable police forces. The International Police Task Force—run by the UN with a strong contingent of America's finest—has made great progress toward restructuring

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and retraining police in the Bosnian Federation. Now that the Republika Srpska has a new government that is committed to implementing Dayton and reaping the benefits of peace, we are seeing progress there as well. And we are working with our European partners to increase their role in funding and training Bosnian law enforcement operations.

It is hard to exaggerate the importance of this goal. The recent actions of Serbian police units in Kosovo are an all-too-vivid reminder that law enforcement officials across the region have too often been tools of repression and agents of ethnic cleansing.

The effort to train professional police is one of the most important elements of an "exit strategy" for international forces in Bosnia. We must make sure that, as our armed presence is drawn down and ultimately departs, Bosnian authorities are prepared to ensure the safety of all their citizens. We have seen that as police reform takes effect, freedom of movement improves, refugee returns increase, and the community's confidence is restored. I hope that I can count on this committee's strong support for American police monitors in Bosnia and for our reform programs there.

Democracy and the Rule of Law

There is no question that Bosnia remains deeply divided. But multi-ethnic institutions are beginning to function. And the psychology of cooperation, as well as the ethos of democracy, are beginning to replace the psychology of confrontation and the ethos of corruption which flourished for so long.

The series of local and national elections held under OSCE supervision during the past two years has brought some new faces to government, though certainly not as many as we would like. Those elections have succeeded because of the strenuous efforts of the OSCE, SFOR, the IPTF, and the Office of the High Representative. But most of the credit must go to the Bosnian people, who shamed the skeptics by turning out in large numbers—to vote peacefully for a wide variety of parties.

Bosnia's national government, and the governing bodies of its two entities, are in place and functioning as well as could be expected for a country where the history of armed conflict and authoritarian rule is long, but the experience of democracy so short. When one party or another has blocked progress on joint institutions, High Representative Westendorp has used the authority given him under Dayton to make binding interim decisions. Through his intervention, a new Bosnian currency is being printed, new license plates in one style for all Bosnian vehicles are being manufactured, and

a common flag now flies over Bosnian institutions, including the Bosnian Embassy on E Street here in Washington.

The human rights monitors and ombudspersons established by Dayton are now operating, helping ensure that Bosnians know their rights and have legal avenues to safeguard their liberties. And they are supported by monitors from the international community, including the new UN envoy for human rights in the region Jiri Dienstbier. He is the former Foreign Minister of Czechoslovakia and someone who knows firsthand the importance of protecting human rights.

As we work to build viable democratic institutions, we also face the challenge of helping rebuild, and in some places create, the independent structures that are so crucial to a well-functioning democracy. One of the more important of these is a free media.

Press freedom faces obstacles in all parts of Bosnia, but determined Bosnian journalists and entrepreneurs have made important progress in the last year. High Representative Westendorp has used his authority to suspend networks or broadcasts that contravene the spirit of Dayton—making significant progress toward banishing hatred and xenophobia from Bosnia's airwaves.

In their place, we have had tremendous support from U.S. industry in providing programming that connects Bosnia to the outside world. And whether that programming has included independent television news, soap operas, or NBA games, it has proven very popular.

Of course, a truly free Bosnian media will include Bosnian as well as foreign sources; it will feature a variety of viewpoints; and it will be regulated by unified Bosnian institutions. Bosnia's media are not there yet. But for the first time, both journalists and audiences are getting a taste of what freedom of information can mean in this age of global communications.

Perhaps the most important step toward Bosnian democracy has been the election of a new government in the Republika Srpska that is committed to implementing Dayton. This has happened because increasing numbers of Bosnian Serbs, like other Bosnians, are fed up with the politics of hatred and corruption. And it has happened because the international community promised to stand by those leaders who are willing to take risks to end isolation, make prosperity possible, and real peace achievable.

Prime Minister Dodik and his government in the Republika Srpska face the difficult task of living up to the commitments they have courageously made to their people and the international community: raising living standards, rooting out corruption, permitting the

return of refugees, and doing what is necessary to let life in Serb areas begin, at long last, to return to normal.

And we must make good on our pledge to support Bosnian Serbs as they work toward these goals. That is why I have waived restrictions on our assistance to help rebuild infrastructure and revitalize private business—when and where Serbs are ready to work with their neighbors throughout Bosnia, with Europe, and with the United States.

Our aid to Serb regions will be strictly conditioned on the new government's progress in implementing Dayton. It will support those who seek to build peace, not those who would undermine it. And for that purpose, it is essential—and it is right.

Mr. Chairman, often enough our discussions of promoting human rights and ensuring that countries obey international norms are very abstract. But when seven survivors of the Srebrenica massacre were arrested two years ago and convicted by a court in the Republika Srpska on trumped-up war crimes charges, the violation of human rights was very real.

But earlier this year, a higher court in the Republika Srpska threw out the convictions and agreed to retry or release the men, known as the Zvornik 7, because their trial violated the European Convention on Human Rights. The cause of justice, and of human rights everywhere, scored a very real victory. And across Bosnia, that cause is making small but lasting gains every day.

Freedom of Movement And Refugee Return

Since Dayton, more than 400,000 Bosnian refugees have returned home. We hear a great deal about areas where returnees have faced problems, intimidation, and even violence. And these pose for us an ongoing challenge. But there are also a significant and growing number of communities which have welcomed returnees, which are working to provide housing for all, and which are committed to rediscovering the spirit of tolerance on which Bosnians once prided themselves. I am guardedly optimistic that we are making progress through programs such as Open Cities, and we are seeing encouraging signs in both Bosnian entities.

Earlier this year, Prime Minister Dodik took the very welcome step of pledging to prepare the return of 70,000 refugees and displaced persons to the Republika Srpska this year. At the Sarajevo conference on refugee returns held earlier this month, that city's authorities pledged to accept 20,000 Serb and Croat returnees in 1998, and to take steps to remove bureaucratic impediments to their reintegration. We will work with the High

Representative and others to assist as we can, see that appropriate laws are passed, and ensure that communities where returnees are barred or mistreated do not reap the benefits of peace.

War Crime Indictees

Since last April, the number of indictees in custody has quadrupled, and the speed of trials has increased. Just this past week, an important legal precedent was set when a suspect admitted his guilt in using rape as a weapon of war.

Prime Minister Dodik has made clear that he will improve cooperation between the Republika Srpska and the tribunal. For the first time, Bosnian Serb suspects surrendered themselves to The Hague last month. Srpska authorities have also committed to investigate war crimes allegations concerning two of the Republic's ministers and to remove them if the allegations prove justified.

The pace of voluntary surrender by indictees has picked up dramatically in recent weeks. I believe we are finally succeeding in convincing the peoples—and governments—of Bosnia and its neighbors that tribunal proceedings can be swift and fair—and that they offer the best chance for long-term reconciliation based not on collective guilt but on the rule of law and individual accountability.

SFOR will continue to detain indictees who are encountered in the course of normal SFOR operations, as the tactical situation permits. We are committed to doing what needs to be done to see that indicted war criminals face justice.

Currently, we are in the process of transferring \$1.2 million of additional U.S. assistance to the tribunal, specifically earmarked to support forensic work and to address problems of translation and processing. These improvements should build the confidence of those indictees still at large that, if they turn themselves in, they will receive treatment that is expeditious and fair; while the only alternative remains flight, insecurity, and isolation.

We are also fortunate to have Senator Dole as head of the International Commission on Missing Persons, leading efforts to resolve the fate of thousands of Bosnians missing since the war to help bring uncertainty to an end and allow the long process of reconciliation to begin.

Economic Reconstruction

Bosnia's GNP today is twice the level to which it had fallen when Dayton was signed. Economic growth is accelerating, and unemployment is falling—signs that give more and more Bosnian families a tangible stake in maintaining peace.

Improved cooperation between Bosnian entities and with Bosnia's neighbors should speed this trend in the months ahead. Already, trains and mail are crossing between the Bosnian Federation and the Republika Srpska for the first time in years. Air service between Belgrade and Sarajevo has recently been restored.

Throughout Bosnia, U.S. assistance is helping rebuild infrastructure and revitalize private business. Our "Open Cities" program of economic support for communities that welcome returning refugees of all ethnicities has

helped its participants knit their neighborhoods and their livelihoods back together. We now hope to expand it to cities and towns in the Republika Srpska that are ready to do the right and decent thing as well.

All these programs are designed to continue and make irreversible the progress that Bosnian communities are already feeling: in quality of life, in quality of governance, and in hope for the future. They are essential if Bosnians are to take advantage of this breathing space to build a lasting peace—and rebuild a single nation.

But that breathing space could not exist without the presence of our armed forces. Bosnia's progress is not irreversible yet.

If we persevere, peace will be sustained. But if we turn our backs on Bosnia now, as some urge, the confidence we are building would erode. The result could well be a return to genocide and war.

Quitting is not the American way. In Bosnia, the mission should determine the timetable, not the other way around.

The Road Ahead

That is why we and our allies have agreed that NATO will continue to lead a multinational force in Bosnia after SFOR's current mandate expires in June. Its mission, again under U.S. command, will continue to be deterring hostilities, supporting the implementation of the Dayton Agreement, and contributing to establishing a secure environment in which Bosnian authorities can increasingly take charge of their country's stability themselves. Without expanding SFOR's mandate, we will

ensure that the new force has an enhanced capability, if needed, to deal with the task of ensuring public security.

U.S. participation should decrease from the current 8,500 troops to 6,900. Americans will make up a smaller percentage of the new total troop level. And we will review the size of the force periodically as part of our strategy to gradually transfer its responsibilities to domestic institutions and other international organizations.

President Clinton has made clear that our mission in Bosnia "must be achievable and tied to concrete benchmarks, not a deadline." With the Department of Defense and the Joint Chiefs of Staff, we have established concrete and achievable benchmarks for the success of our presence. The extensive list has been discussed with congressional leadership and staff, and we are happy to provide more information to any Member who requests it. Benchmarks include police retraining, media reform, democratic elections, elimination of barriers to nationwide commerce, and institution of a framework for refugee returns. As they are met, U.S. and NATO forces will be reduced, and over the long term, Dayton implementation will be based on traditional diplomacy, the work of international organizations and NGOs, confidence-building, and economic assistance.

To meet those benchmarks, and make every moment of our troop presence count, we must accompany our military presence with robust support for democratic institutions, economic recovery, and refugee returns. If we do not, Bosnia's wounds will never heal enough to allow it to function without the life support of peacekeepers.

Let me emphasize that the United States is not doing this job alone. We contribute only 17% of the economic aid Bosnia receives; EU nations contribute over 50%. And we are looking for increased European support for critical priorities such as police reform.

But just as our leadership was necessary to end the fighting in Bosnia, and our intervention essential to bring the parties along at several crucial moments, so our continuing military and financial support will be vital to leveraging contributions from our allies and friends.

We need those resources to meet several challenges this year, which have the potential to derail Bosnia's progress or put it on the fast track to completion.

Challenges This Year

Bosnia's second nationwide elections will be held in September, under OSCE supervision. We still face the challenge of fully implementing the results of last year's municipal elections by ensuring that all elected officials are seated and local governments functioning.

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We have made a promising start on the return of refugees and displaced persons. The new RS Government has made a strong commitment to improve what has until recently been a dismal performance. We will be watching their efforts.

Corruption and the growth of organized crime are major problems that must be tackled with even greater vigor this year, especially through police reform. Both the Bosnian Federation and the Republika Srpska must do more to reintegrate and reform their economies, if they are to reestablish Bosnia's self-sufficiency and work toward integrating their country with Europe and the world.

Arbitrator Roberts Owen recently announced that he would defer for another year the final decision on the status of the City of Brcko. He made clear that the extent of both sides' compliance with Dayton will be a significant factor in his final decision—and put squarely on the Republika Srpska the burden of showing that it should retain the city.

Finally, Mr. Chairman, while we work to improve Dayton compliance within Bosnia, we must not lose sight of the broader picture. Bosnia's neighbors—particularly Croatia and Serbia—have commitments they must fulfill and responsibilities they must meet in order to promote regional peace and make possible their own integration with the West. Unfortunately, from cooperation on war crimes investigation to the development of regional infrastructure, that broader picture remains disturbing.

In Croatia, we are watching for actions to demonstrate Zagreb's commitment to all aspects of the regional peace process. The government must make good on its promise to pursue national reconciliation within Croatia by facilitating the return of refugees; specifically, by making good on its pledge to announce plans for the return and documentation of refugees this month. Croatia's failure to make progress in building democracy at home is disappointing, and it has delayed the country's integration into European and transatlantic institutions.

We also expect Croatia to use its influence with the Bosnian Croat community to encourage refugee returns, promote full integration at all levels of the Bosnian Federation, and assist in seeing that persons indicted by the war crimes tribunal face justice. We are even more concerned by developments in Serbia. Most importantly, President Milosevic has again thrown the stability of the entire region into question with his campaign of bloody repression in Kosovo.

Mr. Chairman, it took us seven years to bring Bosnia to this moment of hope. We must not hesitate in working to resolve the crisis that

is growing in Kosovo, and we must not allow President Milosevic's brutal and illegitimate methods there to undo the progress toward peace and stability that has been made throughout the region.

The United States has already taken steps to see that those who are responsible for the violence in Kosovo pay a price. With our partners in the Contact Group, we have agreed to deny President Milosevic resources for his police state. We have imposed a moratorium on government-sponsored export credits and privatization assistance that Belgrade desperately needs. We will not grant visas to senior officials responsible for repression in Kosovo.

We are working to establish a comprehensive arms embargo through the UN Security Council. We are working with neighboring states to ensure that conflict does not spread—and, in particular, we are working to ensure that an international military presence in the Former Yugoslav Republic of Macedonia continues after the mandate of the current UN force expires in August. And next week, I will chair another meeting of the Contact Group in Bonn, to discuss next steps.

Let me stress that the purpose of these measures is not to return Kosovo to the status quo of last month. Stopping the killing is not enough; too much damage has already been done. If Serbia wishes to ease its international isolation, it must show that it is ready to shift from repression to a search for a genuine political solution.

We will continue to explore all possibilities for dialogue and to emphasize that the use of violence by either side to resolve a political problem is unacceptable and wrong.

But there should be no doubt that we are prepared to take additional steps if Belgrade elects to continue repression in Kosovo. We will keep all options open to do what is necessary to prevent another wave of violence from overtaking the Balkans.

Conclusion

Mr. Chairman, to a great extent the Dayton accords and the peace process they built were made in America. They combine our faith in the resourcefulness and determination of human beings with the recognition that no single nation, not even the United States, can solve every problem and right every wrong. They combine a pragmatic consideration of our global interests with the deeply American desire to respond to people in need.

I began my testimony by offering a clear statement of purpose for our presence in Bosnia. Let me conclude by sharing with you

another statement of purpose, written by a sergeant in the First Infantry Division stationed in Bosnia last year. Representative Frank Wolf came across it on a bulletin board in Tuzla, and I think it says quite a bit about why Americans should be in Bosnia right now—and about the Americans who are there. It reads:

There's the goodbyes and tears,
the uncertainty and fears.
There's the mud and the dirt, the pain
and the hurt . . . and
then there's the children.

There's the food and the showers, the long
working hours. There's the cold
and the heat, the blisters on the
feet . . . and then there's the children.

And then there's the children, who always
wave as we pass by. Beaming with
a precious smile, making all this
worthwhile . . . and then there's the
children.

Who with one precious glance are thanking
us for taking this chance. One look,
one hug, one moment shared will
bring joy beyond compare.

If as each and every day goes by,
one more person does not die. . .
If all this trouble and strife I only
save a single life . . . then
worthwhile has it all been and I
Would do it all again . . . for the children.

Those children will live under the institutions that are being built today, whether those institutions prove unifying and democratic or fail and become despotic. Their inheritance may be the future for which so many Bosnians struggle and so many Americans pray, or it may be the future we all fear. And those children will choose whether the destiny of Bosnia and, indeed, of the region is peace or war.

Let us, then, make our own choice the right choice. Let us hold fast to the hope which inspired that sergeant and to the conviction that, with our help, Bosnia's children can again be children of peace; let us have the courage to do our part in securing peace for them and thereby helping to maintain it for ourselves. ■

Secretary Albright

Ensuring Foreign Policy Tools That Sustain American Leadership

March 4, 1998

Statement before the Subcommittee on Foreign Operations, Export Financing and Related Programs of the House Appropriations Committee, Washington, DC.

Mr. Chairman and members of the subcommittee: Good morning. I am pleased to be here to ask your support for the President's request for funds for the foreign operations programs of the United States.

I want to acknowledge at the outset that this subcommittee and members on it have been leaders in supporting a principled and purposeful U.S. foreign policy. We have not always agreed on all subjects, but the disagreements have almost always been on tactics—not on goals. We all agree that the United States is, and should remain, vigilant in protecting its interests; careful and reliable in its commitments and a forceful advocate for freedom; human rights, open markets, and the rule of law.

Mr. Chairman, although we call the programs under the subcommittee's jurisdiction "foreign" operations, we care about them primarily because of their impact on our citizens here at home. And although the work of some subcommittees may be easier to explain to the American people, none is more important to them.

For whether you are a storekeeper, a stockbroker, a farmer, or a homemaker, you have a stake in the health and growth of the world economy. Whether your frame of reference is the Battle of the Bulge or Inchon or Khe Sanh or Desert Storm, you know that American foreign policy can make the difference between war and peace, victory and defeat.

Whether you travel the world or hardly ever leave your neighborhood, you will care whether we stop international terrorists before they strike. Whether you live in a city, a suburb, or a small town, you will want us to crack down even harder on the international drug kingpins who grow rich peddling poison to our kids.

There are far too many connections between our foreign policy and the lives of our people to list this morning. Because of the revolution in communications, transportation, and technology, our citizens now live global lives. Our country has interests in every region and on every continent. And I would bet that if you were to ask almost any American—even those who say they don't care about foreign affairs, oppose foreign aid, have never left our country and never intend to, they will admit—if you probe deeply enough—that, yes, American leadership in the world does matter; it matters a lot.

And Mr. Chairman, the budget request before you seeks to ensure that we will have the foreign policy tools we need to sustain that leadership. It includes funds for programs that help us promote peace and maintain our security; safeguard our people from the continuing threat posed by weapons of mass destruction; build prosperity for Americans at home by opening new markets overseas; promote democratic values and strengthen democratic institutions; respond to the global threats of international terrorism, crime, drugs, and pollution; and care for those who are in desperate need of humanitarian aid.

Let me begin my discussion here this morning with our programs for maintaining the security and safety of our people. To accomplish these goals, we must maintain a strong network of cooperation with our partners and allies as we work to build and sustain peace around the world.

Peace and Security

Along the crescent of land that bridges Asia and Europe, from the Suez and Bosphorus in the west to the Caspian in the north and the Bay of Bengal in the southeast, promoting America's security means supporting those who take risks for peace and standing firm against those who threaten the world with aggression and terror.

Accordingly, we are continuing our effort—through diplomacy backed by the threat of force—to see that Iraq complies with its obligations to the world community. Under its recent agreement, Iraq has promised UN inspectors “immediate, unconditional and unrestricted access” to all sites inside the country, including those previously kept off limits. This step back by Iraq is a step forward for our policy of containing the threat posed by Saddam Hussein.

If Iraq lives up to its agreement, we will have achieved our goal of maintaining an

effective and professional inspection and monitoring regime inside Iraq. If Iraq violates the agreement, there will be greater international understanding and diplomatic support than there would have been previously for a forceful response. Either way, the forces of law and stability are strengthened.

In the days ahead, we will be working with the Security Council and the UN Special Commission—or UNSCOM—to ensure that the agreement is implemented in a manner that reflects the core principles upon which we have insisted: that Security Council resolutions are obeyed; that UNSCOM’s integrity is preserved; and that there be no artificial timetables or linkages that would prevent UNSCOM from doing a full and professional job.

With our support, UNSCOM will be testing Iraq’s commitments thoroughly and comprehensively.

Under the agreement, UNSCOM has the authority to scour Iraq for evidence of nuclear, chemical, biological, and other prohibited weapons production activities.

To keep a lid on Saddam’s military options, we will continue to enforce the no-fly and no-drive zones. We will insist that UN sanctions against Iraq be maintained until there is full compliance with all relevant Security Council resolutions. And as President Clinton has said: “Our soldiers, our ships, [and] our planes will stay there in force until we are satisfied Iraq is complying with its commitments.”

In the meantime, we continue to support expanded efforts through the United Nations oil-for-food mechanism to ease the suffering of

the Iraqi people. We do this not as a favor to Saddam, who has often opposed such efforts, but because it is right; and because it deprives Saddam of the argument that Iraqi hardships justify lifting UN sanctions prematurely.

Mr. Chairman, during recent visits around the country, I have heard two somewhat different but understandable desires voiced by the American people. The first was a strong desire to see the Iraq crisis settled peacefully. Americans have always been reluctant to use force. We do not want to put the lives of innocent people at risk and would never unnecessarily do so. The second is a desire to see Saddam Hussein removed from power.

Unfortunately, we cannot guarantee a peaceful outcome without opening the door to yet another round of Iraqi cheating, which we will not do. Given Saddam’s history of aggression, his repeated use of poison gas, and his dishonesty, we cannot safely or responsibly rule out the use of force in the future.

But if we are required to use force, why not go all the way and remove Saddam from power? The answer is that it would require a far greater commitment of military force, and a far greater risk to American lives, than is currently needed to contain the threat Saddam poses.

Some have suggested that the solution is to arm and encourage the Iraqi opposition to initiate a civil war. That option sounds—but is not—simple. We have worked with Iraqi opponents of Saddam Hussein in the past, and we are ready to work with them more effectively in the future. But the opposition is currently divided, and it would be wrong to create false or unsustainable expectations.

This leaves us with a policy that is—quite frankly—not fully satisfactory to anyone. It is a “real world” policy, not a “feel good” policy.

But I am convinced it is the best policy to protect our interests and those of our friends and allies in the Gulf. It embodies both our desire for peace and our determination to fight if necessary. It takes into account current realities, without—in any way—ruling out future options. It presents the leaders in Baghdad with a clear choice. And it reflects principles that are vital to uphold, not only in the Gulf now but everywhere, always.

Across the border from Iraq in Iran, there are signs that popular support is building for a more open and less confrontational approach to the world. The United States would welcome that. An Iran that accepts and adheres to global norms on terrorism, proliferation, and human rights could be a significant contributor to regional stability and economic growth.

Iran’s President Khatami called recently for a dialogue between our two peoples. There is

“Across the border from Iraq in Iran, there are signs that popular support is building for a more open and less confrontational approach to the world. An Iran that accepts and adheres to global norms on terrorism, proliferation, and human rights could be a significant contributor to regional stability and economic growth.”

merit in this, for we have much to learn from each other. And the recent warm reception received by U.S. wrestlers, and the flying of the American flag in Teheran, are encouraging signs that the potential for a better relationship is there. But the issues that have divided us these past two decades are not those of respect between our two peoples but matters of policy that can only be addressed by governments.

Elsewhere in the region, the United States' security interests are best served when we help meet the challenge of building peace—peace that will allow economic growth and democratic development, the two best sources of long-term stability, to take hold. This is true in Nagorno-Karabakh, in Georgia, and in Cyprus. It is also true in the Middle East, where we continue to strive with our Israeli, Palestinian, and Arab partners to make progress toward a just, lasting, and comprehensive peace.

The past year was not a good one for the Middle East peace process. A crisis of confidence has arisen between Israelis and Palestinians that has stalled progress at the bargaining table, while darkening prospects throughout the region. As a result, historic accomplishments and future hopes are both at risk.

The U.S. has been working hard to encourage the parties to rebuild their partnership and resume progress toward peace. Our objective has been—without compromising interim issues—to accelerate permanent status negotiations. For we believe the parties must have a better sense of what the final outcome will be, if they are to regain their sense of mutual confidence and trust.

In January, President Clinton presented ideas to Chairman Arafat and Prime Minister Netanyahu in an effort to break the current stalemate, recognizing that the parties, given the level of their distrust, might respond to us even if they remain reluctant to respond to each other. The issue now is whether the leaders are prepared to make the kinds of decisions that will make it possible to put the process back on track. Indeed, we have to ask: Are they prepared to promote their common interests as partners? Or are they determined to return to an era of zero-sum relations?

The stakes are high. That's why we have been working so hard to prevent the process from collapsing. We will continue that effort, in the hope that the peace process can be rescued, not only between Israelis and Palestinians, but between Israelis and Syrians and Israelis and Lebanese.

America's interest in a stable and prosperous Middle East also depends on whether the nations there work together to reform their economies, attract investment, and create opportunities for their people. Hopelessness is

a great enemy of the region, for those with faith in the future are far more likely to build peace than those immobilized by despair. Accordingly, I hope we will have your support for our requests for assistance to our partners in peace, including Israel, Egypt, Jordan, and the areas under Palestinian self-rule.

We have requested that aggregate assistance for the Middle East remain at the same level as in previous years. Within that total, I hope we can work together to find appropriate funding for all our concerns in the Middle East.

Over the years, the level of assistance provided to this region has been the subject of scrutiny—appropriately so, as foreign aid budgets have shrunk and dollars are more carefully allocated than ever. We welcome the initiative of the Israeli Government in beginning discussions with the Executive Branch and Congress on a gradual reduction, and eventual phaseout, of economic support funds, coupled with a proposed increase in security assistance. I look forward to coordinating closely with you as discussions on this subject continue.

Europe. In Europe, we have two strategic goals. We work with our allies and partners across the Atlantic to meet the global challenges no nation can meet alone. And we work together to build a Europe that is itself for the first time peaceful, undivided, and free.

Two years ago, to help meet this second goal, the United States led the effort to stop the war in Bosnia. We recognized that it did not serve American interests to see aggression undeterred, hatred unleashed, and genocide unchecked and unpunished in the heart of Europe. Now, we must finish what we started and continue helping the parties to implement the Dayton accords.

Around Christmas, I went to Bosnia with the President and Senator Dole and a number of Members of Congress. We found a nation that remains deeply divided but where multi-ethnic institutions are once again beginning to function. Economic growth is accelerating. Air and train links are being restored. More refugees are returning, and more indicted war criminals are facing trial, including three Serbs who surrendered in the month of February alone.

And—perhaps, most important—a new Bosnian Serb government has been elected that is committed to implementing Dayton. This has happened because in last November's parliamentary elections, Bosnian Serbs fed up with the politics of hatred and self-isolation denied extremists the majority they once enjoyed. And it has happened because the international community promised to stand by those leaders

who are willing to take risks for peace.

Now Prime Minister Dodik and his new government in the Republika Srpska face the difficult task of living up to the commitments they have courageously made to their people and the international community: raising living standards, rooting out corruption, permitting the return of refugees, and doing what is necessary to let life in Serb areas begin, at long last, to return to normal.

And we must make good on our pledge to support Bosnian Serbs as they work toward these goals. That is why I have waived restrictions on our assistance to help rebuild infrastructure and revitalize private business—when and where Serbs are ready to work with their neighbors throughout Bosnia, in Europe, and the United States.

Our aid to Serb regions will be strictly conditioned on the new government's progress in implementing Dayton. It will support those who seek to build peace, not those who would undermine it. And for that purpose, it is essential—and it is right.

In the Republika Srpska and throughout Bosnia, if we persevere, peace will be sustained. More slowly than we foresaw, but as surely as we hoped, the infrastructure of Bosnian peace is gaining shape, and the psychology of reconciliation is taking hold. But if we turn our backs on Bosnia now, as some urge, the confidence we are building would erode. The result could well be a return to genocide and war.

Quitting is not the American way. In Bosnia, the mission should determine the timetable, not the other way around. And as the President made clear in December, "that mission must be achievable and tied to concrete benchmarks, not a deadline."

Accordingly, we and our allies have agreed that NATO will continue to lead a multinational force in Bosnia after SFOR's current mandate expires in June. Its mission will continue to be to deter hostilities, support the implementation of the Dayton Agreement, and contribute to establishing a secure environment in which Bosnian authorities can increasingly take charge of their country's stability themselves.

Without expanding SFOR's mandate, we will ensure that the new force has an enhanced capability to deal with the task of ensuring public security. And we will review the size of the force periodically as part of our strategy to gradually transfer its responsibilities to domestic institutions and other international organizations.

We have already held informal briefings with Members of Congress on these consultations. As we discuss with our allies and

partners the details of this new phase of operations, you can expect to hear more from us.

We should continue to play an appropriate role in Bosnia as long as our help is needed, our allies and friends do their share, and—most importantly—the Bosnian people are striving to help themselves. That is the right thing to do. And it is the smart thing, for it is the only way to ensure that when our troops do leave Bosnia, they leave for good.

In addition, we are requesting \$225 million in Fiscal Year 1999 from Support for Eastern European Democracy—SEED—funds for Bosnia. They will support economic reconstruction, humanitarian assistance, democratic development, and physical rebuilding, as well as U.S. police monitors and reform of Bosnian police forces. These programs are designed to continue and make irreversible the progress that Bosnian communities are already feeling: in quality of life, in quality of governance, and in hope for the future.

In this connection, let me also say that we are deeply concerned with the recent violence in Kosovo. We have made it clear that the United States supports neither the untenable status quo nor the demand for Kosovo's independence. The only way forward is for the sides to enter an unconditional dialogue. We are working to increase American support for Kosovo's humanitarian needs and for the growth of civil society there.

We have made clear to President Milosevic that making progress on Kosovo is a precondition for lifting the so-called "outer wall" of sanctions against his country—and that the use of force to resolve what is a political problem can only deepen the isolation of his regime. We also expect the Kosovo Albanian leadership to distance itself from those who use violence for political ends.

The effort to recover from war in Bosnia reminds us how important it is to prevent war—and how much we owe to those who designed and built NATO, which has been for a half century the world's most powerful defender of freedom and deterrent to aggression.

Mr. Chairman, members of this committee were among the earliest and most articulate advocates of enlarging our alliance to include additional qualified central and east European democracies. We hope the Senate will act favorably and soon to endorse the initial round of enlargement, and to make America among the first to ratify the admission of Poland, Hungary, and the Czech Republic to NATO. I look forward to maintaining with you a regular and productive dialogue on the role and makeup of the alliance as we strive to make America safer, NATO stronger, and Europe more stable and united. And I trust that we will be able to mark a strong

American consensus, and an ever-stronger partnership with Europe, at NATO's Washington summit in 1999, for which this budget includes funding.

Building peace in Bosnia and beginning the enlargement of NATO are two key elements in our effort to build a peaceful, free, and undivided Europe. But there are many others.

Last month, President Clinton joined the leaders of Estonia, Latvia, and Lithuania to sign the U.S.-Baltic Charter, to show our support for the freedom and security of these nations and for their efforts to join Western institutions. We are pursuing our northeast Europe initiative to encourage integration among nations of the Nordic and Baltic region and to strengthen their ties with us, the EU, and their neighbors.

We strongly support the expansion of the EU into central and eastern Europe and Turkey's desire to be part of that process. We are putting in place a new southeast Europe strategy to help integrate countries in that region into Western institutions. We are backing efforts to achieve lasting reconciliation in Northern Ireland, and the funding this subcommittee provides for peace efforts there is an important part of our support.

We are leading the transformation of the OSCE into an organization that produces not just reports, but results. The funding we have requested for the OSCE helps support human rights and elections monitoring in Bosnia and Croatia, special arms control regimes across the former Yugoslavia, and conflict resolution missions elsewhere in eastern Europe.

We strongly support the Support for East European Democracy programs. As two more states, Hungary and Latvia, conclude their use of SEED programs this year, we are shifting our focus to the countries of southeastern Europe, whose political and economic transformations are more slow and uncertain. In addition to our efforts in Bosnia, we will be supporting economic stabilization in Albania and Romania, to help reforms begun in good faith generate positive results. And we will be promoting regional partnerships to use the region's own resources to stimulate growth.

We are also striving to build a relationship with Russia—and between Russia and NATO—that is steady and consistent, encouraging Russia toward greater openness at home and constructive behavior abroad. Russia and its neighbors are making important progress, at varying and uneven speeds, toward resolving conflicts, building functional market economies and establishing democratic institutions. In Russia, there are many signs that pluralism has taken hold, that living standards are rising, and even more important, that growing numbers of

Russians believe that a democratic future holds more promise than does a return to some form of authoritarian rule.

Yet that hope is tempered by real problems. Democracy's progress is slowed by weak institutions and a lack of accountability. Economic growth is held back by slow progress on key reforms, and by the global repercussions of the Asian financial crisis. The U.S.-Russian diplomatic partnership has been an engine for progress from CWC ratification to peace in the Balkans, but we continue to have serious concerns on issues such as Russia's relationship with Iran, particularly the construction of reactors at Bushehr and its sales of sensitive materials.

In the coming year, we will be working with Russia to keep its economic reforms on track, urge START II ratification by the Duma, press for new steps to prevent proliferation, and continue our efforts to support Russian membership in the WTO.

We have cemented our strategic partnership with Ukraine, knowing that an independent, democratic, prosperous, and stable Ukraine is a key to building a secure and undivided Europe. Ukraine is a natural friend and partner of the United States; the courage and determination of its citizens have earned our support. And Ukraine is becoming an important force for peace and stability in its region—forging pragmatic ties with Russia, reaching out to its neighbors on all sides, and solidifying a new partnership with NATO.

In the coming year, we will continue to support Ukraine's fragile economic and political reforms, deepen our cooperation under the NATO-Ukraine Charter, and work to improve its adherence to non-proliferation norms. Tomorrow, I will travel to Kiev, where I will bring a strong message of friendship—but also a warning that treatment of foreign investors in general, and U.S. investment in particular, must improve.

“The U.S.-Russian diplomatic partnership has been an engine for progress from CWC ratification to peace in the Balkans, but we continue to have serious concerns on issues such as Russia’s relationship with Iran, particularly the construction of reactors at Bushehr and its sales of sensitive materials.”

As you know, I face a difficult decision when I return. Later this month, I must certify that Ukraine has made significant progress toward resolving complaints by U.S. investors, or see our aid cut by 50%. I hope that I will be able to indicate to this body that progress is being made.

Elsewhere in the region, we have seen important social and economic progress but face continuing challenges: democracy has faltered in Belarus. Peace is slow to take hold in Tajikistan. The stalemate over Nagorno-Karabakh continues. And we are deeply concerned about the recent attempt to assassinate Georgian President Shevardnadze.

Throughout the NIS, much work remains to be done to build foundations for stable, democratic governments and functioning, transparent market economies. In this connection, the Administration continues strongly to support repeal of section 907 of the Freedom Support Act, which undermines our ability to achieve our goals in Azerbaijan and the Caucasus.

In the coming year, we will provide assistance to both Armenia and Azerbaijan to help both meet the challenge of holding free and fair elections. We will work hard for peaceful solutions to regional conflicts in Nagorno-Karabakh and Abkhazia. And we will continue to foster regional cooperation in Caspian energy development and transportation infrastructure. I know these issues are of great interest to many in Congress as well, and I welcome your support.

Our contribution to democracy building through the Partnership for Freedom will not remake the region overnight. But on their success or failure hangs the stability of this vast region, the security and peace of U.S. partners and friends, and, ultimately, the prospects of almost 300 million people for building better tomorrows.

For example, our support helps to foster economic development by encouraging investment in small businesses, promoting tax reform and transparent and effective regulation of industry, and helping battle the illicit deals and crime that have shadowed emerging markets. We promote the people-to-people contacts that underlie our closest relationships in this region and all over the world; we help replace communism's worn-out structures with institutions that are accountable and effective; and we help build the civil society that will enable the peoples of the region to enrich their communities and entrench their freedoms.

The Partnership for Freedom has already doubled the number of NIS citizens participating in exchange programs in the United States. And in Russia, our three new regional investment centers—in Novgorod, Khabarovsk, and

Samara—are helping break down barriers to investment and building up sound business practices.

But, frankly, we need to do more. This program was funded well below our request last year, and the earmarks attached to it have meant that Russia and the Central Asian countries have missed out on the increase in exchange programs and small business support which are the core of the Partnership's work. For those reasons, I urge you to fund fully our request for \$925 million, and I thank this subcommittee, and you, Mr. Chairman, for your efforts to ensure that the funding comes with the flexibility we need to support democracy and market reform throughout the region.

Asia. In Asia, we are working to promote stability during a time of great economic uncertainty by solidifying our key alliances with Japan, Australia, the Republic of Korea, Thailand, and the Philippines.

We also seek to build a more constructive relationship with China through concrete steps and through our strategic dialogue. Let me stress here, Mr. Chairman, that engagement is not the same as endorsement. We continue to have sharp differences with China, but we also believe that the best way to narrow those differences is to encourage China to become a fully responsible participant in the international system.

Steps in the right direction include China's commitment to strictly control nuclear exports, its assurances on nuclear cooperation with Iran, its security cooperation on the Korean Peninsula, its continued economic liberalization, its positive role in responding to the East Asian economic crisis, the release of Wei Jingsheng, its invitation to the UN High Commissioner for Human Rights to visit, and its agreement to pursue cooperative activities with us to strengthen the rule of law.

Latin America. In our own hemisphere, we have important interests dictated not only by proximity of geography but by proximity of values. For today, with one lonely exception, every government in the hemisphere is freely elected. Every major economy has liberalized its system for investment and trade. With war in Guatemala ended, Central America is without conflict for the first time in decades. As recent progress toward settling the Ecuador-Peru border dispute reflects, nations are determined to live in security and peace from pole to pole.

And next month, President Clinton and all the democratic leaders of the hemisphere will gather in Santiago for the second Summit of the Americas. Their purpose will be to set an agenda to take us into the 21st century—an

agenda that will include education, trade, economic integration, fighting poverty, the war on drugs, judicial reform, the environment, and human rights.

Despite the many areas of progress, the region still faces serious challenges. Growing populations make it harder to translate macro-economic growth into higher standards of living. For many, the dividends of economic reform are not yet visible, while the costs of the accompanying austerity measures are. The building of democracy remains in all countries a work in progress, with stronger, more independent legal systems an urgent need in most.

In Haiti, the job of creating a democratic culture and market economy—where neither has ever existed—is especially daunting. For months, Haiti has been mired in a political standoff. Other young democracies have taken years and endured much violence to sort out such tensions. Haitians are trying to do so through dialogue and debate, not guns. This takes time, but it is important for them to find the way forward.

Meanwhile, efforts to restructure the Haitian economy have lagged. For millions of impoverished Haitians, democracy has not yet delivered on the hope of prosperity.

We cannot turn our backs at this critical stage. To do so would risk creating a Haiti of the future that mirrors its past: an undemocratic Haiti that serves as a safe haven for criminals and drug traffickers and from which thousands of would-be migrants are driven to seek refuge on our shores.

Our economic and food aid to Haiti is directed at basic human needs and at laying the foundation for sustained economic growth. It helps regions beyond the capital attract private investment and create jobs. And through voluntary peacekeeping operations, we are helping professionalize and strengthen Haitian law enforcement.

I ask your support for a substantial increase in assistance at this critical stage. Haitians' desire for change is great, but so are the challenges they face: strengthening civil society; expanding free enterprise; and developing health, education, and family planning programs.

Helping democracy to put down roots in Haiti serves U.S. interests. It is the smart thing to do. It is also the right thing to do.

In Cuba, Christmas had special meaning this year because of the Pope's visit. But we will not rest until another day—election day—has meaning there, as well. The people of Cuba deserve the same right as their counterparts from Argentina to Alaska to select their own

leaders and shape their own lives. The Cuban regime was right to allow the Pope's visit and to begin releasing political prisoners. It should now continue in the spirit of free expression that His Holiness espoused. Meanwhile, the United States will continue working with friends in Europe and throughout the hemisphere to heighten the pressure, which is building, for democratic change.

Africa. In Africa, we have a rare opportunity to help integrate newly democratizing partners into the world economy and gain valuable allies in the fight against terror, narcotics trafficking, and other global threats.

During my recent visit, I was impressed by how rapidly Africa is departing from the shopworn stereotypes, even as it continues to grapple with chronic problems of poverty and strife. Today, many old conflicts are being settled. Countries are modernizing, centralized economies are giving way to open markets, and civil society is beginning to blossom.

As we prepare for the President's visit later this month [President Clinton visited six Sub-Saharan African countries from March 23-April 2, 1998. See box at bottom of page 2 for more information.], we want to express our support for countries such as South Africa, Botswana, and Benin, where the commitment to democracy is strongest, while paying heed, as well, to the trouble spots that remain.

In the strategic, strife-torn Great Lakes region, for example, countries face long odds. Rwanda is still recovering from genocide; Burundi remains without a stable political order; and the vast, resource-rich Democratic Republic of the Congo must rebuild and democratize after decades of misrule.

I urge the committee's support for the President's initiative to promote justice and development in the Great Lakes, so that we may help the people there to prevent further outbreaks of violence and to plant the seeds of democratic progress and social renewal. I urge your support for our request for funds for education and debt relief.

And I hope Congress will act quickly to approve the proposed Africa Growth and Opportunity Act. This is a Capitol Hill initiative, supported by the Administration, designed to frame a new American approach to the new Africa.

We believe that the African countries that most deserve our help are those that are doing the most to help themselves. And that the most useful help we can provide is the kind that will enable economies to stand on their own feet—through open markets, greater investment, increased trade, and the development among their peoples of 21st-century skills.

Promoting Our Security Through Arms Control. When we help end conflicts and reduce tensions in regions important to the interests of the United States, we advance the long-term interests and safety of Americans. The same is true when we support arms control and anti-terrorism efforts in other countries and regions.

Our diplomats now face a twin imperative: sustaining a global full-court press to keep biological, chemical, and nuclear weapons—and the missiles to deliver them—from falling into the wrong hands and achieving further

progress with Russia and others so that the American people never again face the costs and dangers of a nuclear arms race.

The Comprehensive Test Ban Treaty—CTBT—already signed by some 150 countries and now awaiting the Senate's advice and consent—is a major stride toward both of these objectives. For by ending testing, we can hinder both the development and the spread of new and more dangerous nuclear weapons.

This year we are requesting \$28.9 million to fund the CTBT Preparatory Commission, which is laying the human and technical foundation for the treaty's entry into force. Whether or not the test ban is in place,

we need to closely monitor any explosive testing of nuclear weapons around the world. These funds will help build the international verification system that will help us deter and detect treaty violations.

I also ask your support for our proposed \$40 million voluntary contribution to the International Atomic Energy Agency—IAEA. These funds will help the agency continue strengthening the safeguards system that enables it to verify compliance with the nuclear Non-Proliferation Treaty in North Korea, Iraq, and scores of other countries.

Our request this year includes \$35 million for the Korean Energy Development Organization—KEDO. The Agreed Framework has succeeded in freezing North Korea's dangerous nuclear program. Now it has begun to dismantle that program one step at a time, having secured over 90% of the program's spent fuel, which represents several bombs' worth of weapons-grade plutonium after reprocessing.

"This year we seek a major increase in funding—from \$20 million to \$50 million—to support the Administration's Demining 2010 initiative. . . . This substantial increase in our own commitment will urge other countries to increase theirs."

KEDO continues to add members and attract financial support from around the world. But our role remains essential—particularly in light of the East Asian financial crisis—to leverage from Asian allies support that will ultimately dwarf our own.

Our Non-proliferation and Disarmament Fund lets us move quickly to destroy or remove dangerous weapons or poorly protected nuclear materials from NIS countries. And the International Science Centers we fund in Moscow and Kiev are addressing the human side of the proliferation threat, helping to prevent a perilous brain drain of scientists with WMD expertise to rogue states.

Fighting Terrorism. We also have a critical national interest in fighting international terror and helping others to do the same. This year, we are requesting \$21 million for our anti-terrorism programs. These programs enhance the skills of police and security officials in selected countries so that they may be more effective partners in preventing and punishing terrorist acts. The \$2 million increase over last year's funding level will help fund training in terrorist interdiction, explosives detection, and investigation, as well as allowing more programming in the Middle East and Asia.

Anti-Personnel Landmines. This year we seek a major increase in funding—from \$20 million to \$50 million—to support the Administration's Demining 2010 initiative. The United States leads the world in humanitarian demining, and we are determined to do even more. This substantial increase in our own commitment will urge other countries to increase theirs. Our goal is to free civilians everywhere from the threat of landmines by the year 2010.

The security-related programs I have been discussing fall within the non-proliferation, anti-terrorism, demining, and related programs, or "NADR" account, created by this subcommittee in the FY 1997 Foreign Operations Appropriation to consolidate in one account a number of related programs previously funded separately. This year our NADR request includes funding for the CTBT PrepCom previously funded through ACDA and the CJS Appropriation, funding for the science centers previously included in the NIS account, and our first request for export control assistance as a separately funded activity.

Fighting Drugs and Crime. Mr. Chairman, international narcotics trafficking and other forms of transborder crime also endanger Americans.

The President and law enforcement agencies and educators at all levels are committed to fighting drugs at home. But we cannot

hope to safeguard our citizens unless we also fight this menace abroad, where illicit drugs are produced and ill-gotten gains are hidden away.

Under the President's leadership, we have moved aggressively and with results. This past year, our support for eradication and interdiction helped trigger the largest decline ever in Latin American coca production. For the second year in a row, production fell in every Latin American country—except Colombia, where traffickers moved when denied the freedom to operate elsewhere. In Peru, coca cultivation is at its lowest level in a decade.

Over the past year, Mexico has enacted legal reforms to combat drug trafficking, organized crime, and money laundering. It has formed specialized investigative units, sought out and punished official corruption, and passed a comprehensive chemical control law. Drug seizures, arrests, and extraditions were up.

As you know, President Clinton last week granted full certification to 22 of the 30 major drug-producing and transit countries on our list. Four nations were denied certification outright. These are Afghanistan, Burma, Iran, and Nigeria. In Iran, however, we believe the trend is improving, although we lack the hard data necessary to certify that country's cooperation.

Four nations—Cambodia, Colombia, Pakistan, and Paraguay—were not certified for cooperating but were granted a national interests waiver. In the case of Colombia, the waiver decision is intended to lay the groundwork for increased future cooperation—and to support those in Colombia who are striving to strengthen the rule of law and buttress their embattled democracy.

We ask your support for our request for \$275 million to continue the fight against international narcotics and crime. In addition to other anti-crime initiatives, these funds support our source country narcotics eradication and alternative development programs—following up on our progress in the Andes and transferring that approach to new projects elsewhere in Latin America and in Africa and Asia.

These funds support police and military counter-narcotics forces as they uncover and block new smuggling routes and methods. They will bolster eradication and interdiction programs in Laos, Colombia, Peru, and elsewhere. They fund a comprehensive, international heroin control strategy. And they support multilateral narcotics efforts in Afghanistan and Burma, where success is critical, but our access is limited.

Our request also includes \$20 million for anti-crime programs. This training and technical assistance helps fight money laundering,

trafficking in women, alien smuggling, and other crimes which, although they begin far from our shores, may affect Americans. And these funds support the International Law Enforcement Academy in Budapest and similar academies slated to open with broad international support in Latin America and Asia.

Promoting Economic Growth And Sustainable Development

Mr. Chairman, peace and security are paramount goals of our international programs, but promoting economic prosperity is another top priority.

International trade is twice as important to our domestic economy as it was 25 years ago. Strong trade-building policies and healthy trading partners are essential, for increased trade is responsible for one-third of our economic growth over the last five years.

The Clinton Administration is committed to seeing that American companies, workers, and farmers have a level playing field on which to compete. That means being a global leader for trade agreements that help open markets and create jobs for Americans. It means using the expertise and contacts of our embassies to provide all appropriate help to American firms. It means sustaining the Export-Import Bank, the Trade and Development Agency, and the Overseas Private Investment Corporation, which help our businesspeople find new markets overseas.

And it means putting our full weight behind better enforcement of intellectual property standards and improved observance of core labor rights—from the halls of the World Trade Organization and the International Labor Organization to our assistance programs and to my conversations with other world leaders. But our diplomats and our businesspeople need your commitment as well and your support for the resources that make these efforts possible.

Asia Financial Crisis. In a globalized economy, trade is not a zero-sum game. For our exports to continue to rise, the wealth, purchasing power, and stability of others' economies must also increase. When the economies of our trading partners falter, we risk slipping as well.

Many of your constituents may have asked why the United States should help Asian governments and businesses recover from the mistakes which brought on the current financial crisis. It is a good question to which the facts provide a persuasive answer.

East Asia is home to some of the best customers for U.S. products and services. More than one-third of our nation's exports go there.

As much as half of some states' exports, and thousands of good jobs, depend on economic vigor in places such as Bangkok and Seoul. East Asia includes some of our closest allies and friends, committed to promoting peace in a difficult neighborhood, and working with us to build the kind of open global economy in which all can prosper.

A continued crisis makes other American partners vulnerable as well. Regions such as central Europe and Latin America, where economies have made great strides in recent years, are watching the international

community's response to East Asia with great concern.

Our approach is clear. To recover, a nation must reform its economy. And if it is willing seriously to do so, it will be in our interest to help.

And there is a great deal happening in the affected nations that deserves our support. South Korea's new president, Kim Dae Jung, has built his career—and staked his life—on the idea that democratic development and economic growth go hand in hand. He is working with the

IMF to promote better governance by encouraging more openness and transparency in decision-making.

In Thailand, leaders and people responded to the crisis with courageous steps to put their fiscal house in order and enact a more democratic constitution. In the Philippines, years of an IMF program have paid off, and as the country winds down its IMF support, it can boast of one of the region's more solid economies.

In Indonesia, however, the government must do more to address the problems of its banking sector, its procedures for financial oversight, and its insolvent industries—in a word, it must implement its IMF program. It must also attack long-standing structural problems, including corruption and a lack of democratic openness and accountability.

Mr. Chairman, we are committed to working with Indonesia's Government, industry, and people to help that country prosper economically, develop sustainably, and build open government. President Clinton's personal representative, Walter Mondale, is in Jakarta this week to consult with President Suharto and other Indonesian officials. We will have more to say after his return.

But as people throughout the region look for reassurance about the future, neither economic nor political reform can hope to

succeed if timely and sufficient support from the international community is not forthcoming. Even as the reforms the IMF is promoting restore financial stability, they also promote better governance by encouraging more openness and transparency in decisionmaking. This offers the greatest hope of progress toward more democratic and accountable political systems which should lead, in turn, to sounder and wiser economic management.

And since the IMF functions as a sort of intergovernmental credit union, these so-called bailouts won't cost our taxpayers a nickel—just as the President's bold plan to rescue the Mexican economy three years ago proved cost-free.

The IMF's programs are a hand up, not a handout. And they are a loan that will be repaid with interest as our trade with the Asia-Pacific recovers and grows.

To this end, I hope that we can work together to find the money to pay our full share of the IMF's quota increase, which will support economic recovery in East Asia and help prevent similar crises elsewhere. Our supplemental request would also extend to the IMF a line of credit for use in the event of a serious financial crisis. These requests are for budget authority only; they involve no outlay of funds and have no effect on calculations of government spending. The choice to support the IMF is a choice between shaping the global economy or allowing ourselves to be buffeted by it; between sustaining America's leadership or abdicating it.

Our support for the World Bank and the five regional development banks also works to build healthier economies and strengthen societies in countries which are already our partners in diplomacy and trade, as well as in those which are unable to participate fully in the international system but desire to do so.

Our total request for multilateral development banks includes \$502 million in arrears payments, for the second year of a three-year plan to clear our debts to these institutions.

With the support of this subcommittee, we have begun to make catch-up payments this year—and have been able to negotiate substantial reductions in our contributions to these organizations. Our campaign for transparency and accountability has helped open bank activities, especially in East Asia, to greater public scrutiny. But our leadership in these areas cannot continue unless our funding continues as well.

Let me also emphasize the work of the Global Environment Facility—GEF—which mobilizes the resources of developed and developing nations to protect the environment. Our contributions to the GEF help protect our

“Our approach is clear. To recover, a nation must reform its economy. And if it is willing seriously to do so, it will be in our interest to help.”

fisheries and our climate by cutting pollution of the world's oceans. Already, GEF programs are working to reduce emissions in developing nations. Making sure that all nations do their part in slowing global warming is a critical part of our strategy; through the GEF, those efforts have already begun. And we know they work.

But it is difficult, to say the least, to obtain more cooperation from our partners on these issues as long as we are failing to fund our pledged share of the GEF's expenses, as has been the case for the past three years. I urge you to fund our \$300 million request fully, both to meet these important objectives and to work toward keeping our promises and maintaining our leadership in sound and sensible environmental protection.

Similarly, I ask your support for activities under the Montreal Protocol, to help address the critical issue of ozone depletion. When we contribute to multilateral efforts promoting sustainable development, we leverage as much as eight or 10 times our national contribution to support goals we share.

This year, we have requested a modest \$7 million increase in our contributions to the United Nations Development Program. The United States was traditionally a leader in this body, and we led efforts to reform and streamline it—and make it the central coordinating and funding mechanism for UN development assistance.

The need for its work remains especially strong among African countries emerging from war and hunger with great aspirations and serious reform plans—and among Asia's poorer nations, trying to catch up with their neighbors. It is also playing a major role in supporting women around the world as they work to gain more equal access to the levers of political and economic power.

Like UNDP, UNICEF plays an important role in countries suffering from, or recovering from, the devastation caused by civil or international conflict. UNICEF helps protect children—a society's most vulnerable members and its hope for the future—from the Balkans to Liberia. We have maintained our request for funding for UNICEF at \$100 million for FY 1999.

Mr. Chairman, one of the most inspiring ways this account helps make a difference in the lives of men and women in this country and around the world is through its support for the Peace Corps. The Peace Corps has been one of this country's most successful programs overseas, both in bringing skills and knowledge to those who desperately need them and in earning enormous respect and admiration for

America and Americans. President Clinton's request for \$270 million in funding will put us well along the path to having 10,000 volunteers serving overseas by the year 2000.

Mr. Chairman, we also ask your support for our population and health programs, which help developing nations devote more of their scarce resources to building a better future for their citizens. Child survival and disease programs, which this subcommittee has done so much to support, prevent millions of infant and child deaths every year. They also help children grow up into healthier, more productive adults by improving nutrition, fighting infectious disease, and funding basic education.

Our voluntary family planning programs serve our broader interests as well. When women and families can choose the number and timing of their children, population growth rates stabilize. Maternal and infant mortality decline—as does the demand for abortions. Women gain status and can put their full potential to work building better lives for themselves, their children, and their societies.

Mr. Chairman, I am well aware that some members oppose this aid or want to attach crippling conditions to it. I respect their views but do not share them.

Regrettably, the annual delays and uncertainties that result from the controversy over funding our international family planning programs, which we take great pains to ensure are not coercive and do not fund abortions, cause more of the tragedies our critics say they seek to prevent.

I thank this subcommittee for its willingness to work pragmatically on this problem and to put the interests of the United States, and those of the people we are trying to help, first. I will do all I can to continue our cooperation, and I hope I can count on you to do the same.

Promoting Democracy, Human Rights, And the Rule of Law

Mr. Chairman, America's global leadership is derived not only from our economic and military power but from the power of our ideals. And fundamental to American ideals is our commitment to democracy, human rights, and the rule of law.

“Child survival and disease programs. . . prevent millions of infant and child deaths every year. They also help children grow up into healthier, more productive adults. . . .”

To millions around the world, the United States represents the potential of democracy. Wherever we are visibly involved and engaged, we give hope to people who are struggling to secure their human rights and to build democracy. By building partnerships with other freedom-loving peoples, we sustain the growth of open markets and democracy that has enhanced our own security and prosperity and which has been the signature element of our age.

USAID's democracy and governance funds have helped nearly double women's participation in Bangladeshi elections, encourage greater accountability within the Palestinian Authority, and pass better environmental laws in Indonesia. I know you will hear separately from Brian Atwood about USAID's request, but let me take this opportunity to indicate my strong support for it and for the work USAID is doing around the world.

We also bolster democracy through our economic support and development assistance programs in selected countries. For example, our economic support funds request will help improve judicial systems in Africa and Latin America, work to sustain peace and democracy in Guatemala, and contribute to the work of the War Crimes Tribunals for Rwanda and the former Yugoslavia.

Whether through the SEED and Partnership for Freedom programs, the President's Africa Great Lakes Initiative, or USAID's Office of Transition Initiatives, when we support human rights and democracy, we are supporting our natural partners—and our natural interests. If, however, we were to abandon or walk away from our partners in these countries, we would heighten the possibility that their societies would retreat into repression or dissolve into the disorder within which terrorists and criminals thrive.

Providing Humanitarian Assistance

This year, we have requested \$670 million for migration and refugee assistance and for our emergency funds in this area. That is the amount we need to do our part in international

relief for victims of persecution or armed conflict. The request also includes funding for new initiatives to assist and protect refugee children.

We have also requested additional funding for international disaster assistance, including programs to respond to nuclear, biological, or chemical disasters abroad.

Conclusion

At key moments, through more than two centuries, Americans have been asked to rise to a challenge: in Washington's time, to pledge their sacred honor; in Lincoln's, to ensure that government of the people did not perish; in Roosevelt's, to overcome fear, itself; and under JFK, to bear any burden in defense of freedom. And at those moments, Americans of every political persuasion have not just managed but excelled in working together to build the institutions and summon the resolve that have defined the fate of our nations and shaped the history of our age.

Today, our nation is not engaged in revolution, nor embroiled in civil war, nor weighed down by a Depression, nor confronting a superpower rival. And this subcommittee has worked to build a strong partnership with me and others in this Administration. Its impact shows around the world, where our leadership is resurgent and welcome—from the halls of the War Crimes Tribunal in The Hague to democracy's front lines in Central America and East Africa. And it shows as we sustain our security and build our prosperity at home.

But we have a great deal yet to do. For we know that against the tide of freedom, prosperity, and peace there remain countercurrents of criminality, vitriol, and ambition untempered by decency and law.

We cannot be complacent or short of breath or weak of will in meeting the responsibilities we face in our time just as our predecessors did in theirs.

Let us go forward with confidence in our strength and faith in our principles, to defend freedom, serve justice, advocate peace, and help citizens everywhere to live fuller and more prosperous lives. ■

Deputy Secretary Talbott

The European Answer To the Balkan Question

March 17, 1998

*Address to the Macedonian Academy of Sciences and Arts,
Skopje, The Former Yugoslav Republic of Macedonia.*

Thank you, Chris. I'm sure that everyone here shares my admiration for the job you have done as United States Ambassador to Macedonia.* It is an indication of the importance that President Clinton attaches to this country that he would send to Skopje a diplomat of Chris Hill's energy, experience, skill, and integrity. In addition to these and many other qualifications, Chris has a special bond with many Macedonians: He is a passionate fan of the National Basketball Association. When I arrived here yesterday, the first event of international significance on which Chris reported to me was the Bulls' victory over the Knicks on Sunday night.

Actually, I have a bond of my own with this country. Over 25 years ago, in the early 1970s, my wife Brooke and I lived in this region as journalists. During one of several visits we made to Skopje, she and I had the good fortune to be befriended by Dada Poposki and his wife Ivanka. I thank them for being here today. It was Dada and Ivanka who first introduced us to Ohrid trout, Tsar Samuel wine, and Macedonian culture. Back in those days, Brooke and I had no idea that this brave and noble land would ever become an independent and democratic state, but we had no doubt about the wealth of Macedonia's past and the promise of its future.

Over the quarter of a century since then, Brooke and I have been reminded of Macedonia and of the family Poposki almost every day of our lives. One of Dada's statues—a wonderful bronze representing Saints Cyril and Methodius—occupies a place of honor in the library of our home in Washington, and another of his works—a brass bas-relief depicting the dove of peace—sits in my study on a shelf right over my desktop computer.

Last night, Chris Hill and I went jogging along the shores of Lake Ohrid, where those two famous students of Cyril and Methodius, Naum and Clement, established their schools—

forerunners, you might say, of this institution, the Academy of Sciences and Arts. It was here, on what is now Macedonian soil, that the Mediterranean world met the Slavic world; it was here that those Byzantine missionaries laid the basis not just for an alphabet and a grammar, but for a great culture that eventually spread across Eurasia to the Arctic and the Pacific.

I don't think it's too much of a stretch to call what happened here in Macedonia, all those centuries ago, a precursor of two very modern phenomena: globalization and integration. As Cyril and Methodius made their way through what are now the Czech Republic, Slovakia, Ukraine, and Russia, they helped open those lands to the outside world; they broadened the boundaries of what we think of today as Greater Europe.

However, over the intervening 11 centuries, Europe has been riven by boundaries and battlements, by barbed war and no-man's-lands, and minefields. This continent has experienced more or less non-stop war and division. That pattern lasted until the collapse of communism at the end of the last decade.

That brings us to the momentous historical opportunity we now have before us: the chance to build a Europe that is whole and free, prosperous and peaceful, for the first time in its history; a Europe in which newly shared values and newly defined interests begin to matter more than the old divides of ethnicity, religion, and political ideology; a truly modern Europe that, following in the footsteps of those intrepid monks, Cyril and Methodius, reaches out to the East.

Let me tell you how Bill Clinton sees this time and this place. As the first American President to be elected after the end of the Cold War, he believes he has not just an opportunity but an obligation to make sure that the United States does everything in its power to help Europe heal the wounds of the past and to build a healthy future.

That is the goal. The means, as we see it, are largely institutional or, as is often said, architectural. Together, we in the U.S. and Canada along with you on this side of the Atlantic, are building a complex but coherent structure of organizations and associations in which our children and grandchildren will be able to live and work in peace, safety, and prosperity.

This construction job requires us to adapt existing institutions where possible and to establish new ones where necessary. Today, there are dozens of these bodies at work across the continent. Macedonia belongs to a growing number of them—from long-established ones like the OSCE and the Council of Europe to newer ones like the Partnership for Peace and the Euro-Atlantic Partnership Council, which brought President Clinton together with President Gligorov in Madrid last July.

The foundation of this structure that we are building together is a shared commitment to a set of ideals: democratic governance; civil society; sustainable development through the dynamism of the free market; the rule of law; pluralism in politics and tolerance in society, full respect and full rights for ethnic and religious minorities; civilian control of the military; and, in international relations, the principles of mutual respect and peaceful settlement of disputes.

Those are the values that we hope to see undergird Europe as a whole and this part of Europe—the southeast—in particular.

Your region has too often languished on the wrong side of Europe's divides; it has suffered exclusion from the European mainstream; it has borne the burden—and it now bears the scars—of totalitarian and authoritarian rule. Therefore, as we seize the opportunity that comes with the end of the Cold War and the breakup of communist states, we must make a special effort to ensure that southeastern Europe is, finally and firmly and irreversibly, embedded in the Euro-Atlantic structures—old and new—that will buttress for our descendants a better future.

It was with that objective in mind that the United States launched what we call our Southeast European Action Plan. The three-part purpose of the plan is to:

- Help consolidate reform within individual states;
- Encourage cooperation within the region; and
- Advance the region's integration into Europe as a whole.

Prime Minister Crvenkovski and Foreign Minister Handziski have assured me that Macedonia has set those same objectives for

itself. That is why the Foreign Minister and I were able today to announce agreement on a joint U.S.-Macedonia Action Plan. It builds on the progress your government has already made—progress that was dramatized last October, when all of the main political parties came together under President Gligorov's leadership to sign a unanimous declaration in favor of Macedonia's further development of its democracy, Macedonia's aspiration for membership in NATO and the EU, and Macedonia's improved relations with its neighbors.

We recognize that achieving those aims will not be easy. But you have already taken important steps in the direction of each. As you move forward in the months and years ahead, the United States will be with you. That is the basic message I bring from Washington to Skopje today.

Let me now speak in a bit more detail about the challenges you face in three key areas: democratization, economic reform, and security.

First, on democracy. You've already held two national elections and one local election that were judged to be free and fair. That means you've passed one of the critical tests for a new democracy: holding not just the first election but the second and the third so that voting becomes a habit of the body politic. The parliamentary balloting next October will offer a further opportunity to strengthen the Macedonian people's confidence in the democratic system—and also to strengthen the rest of the world's confidence that Macedonia is eager and able to be a full participant in, contributor to, and beneficiary of the international system.

But there is more to democracy than just voting. Democracy also requires the emergence of civil society. And that depends on the growth of a multiparty political system and—this is very important—a vigorous non-governmental sector that is protected, and encouraged, under Macedonian law.

Civil society also depends on a free press. As someone who last visited Skopje as a journalist a quarter of a century ago, during the days when the government controlled the media and often silenced independent voices, I am struck by the free flow of information and ideas in Macedonia today. Skopje alone has three major newspapers, a half-dozen weekly magazines, five television stations, including one that broadcasts in the Albanian language.

But there is still a question of how solidly protected the media are by legal and regulatory structures. As Macedonia implements its new broadcast law in the months ahead, it is vitally important to preserve your free and diverse press. In Macedonia, as in the United States, the airwaves are a public trust, which is why it is

essential that the process of reissuing broadcast licenses, which is contemplated under the new law, must be transparent and must be perceived as fair.

It's against this backdrop that our own assistance programs are targeted on non-governmental organizations and the media. As part of the total \$74 million in assistance that we've provided to Macedonia since independence, we have helped grassroots NGOs to recruit members, manage their finances, and develop long-range strategies. And we have helped new media outlets buy equipment, fund operating costs, and train journalists.

Let me now turn to the crucial area of economic reform. As in the realm of politics, you deserve continuing support. You've come a long way in privatizing your economy and defeating the killer beast of hyperinflation. But some very tough challenges remain. They include generating sustained real growth and dealing with persistently high unemployment.

The United States has supported Macedonia's economic reforms through our leadership position in the international financial institutions—specifically, the IMF and the World Bank—as well as through our own bilateral assistance programs. We have also helped the Macedonian Government develop new tax laws and other regulations that will increase the efficiency and competitiveness of your economy.

Moreover, we stand ready today to offer technical assistance as appropriate to aid Macedonia in its effort to join the WTO. You can bring that day closer by making sure that your economy is outward-looking and that it is fully plugged into the markets of the region. You've taken steps in the right direction by signing free trade agreements with Croatia, Slovenia, and Serbia-Montenegro. Yesterday I was in Ljubljana and Tirana, and in both capitals I heard appreciation of your government's policy of opening up and reaching out to your neighbors.

To help you build on that promising beginning, the United States has launched our South Balkan Development Initiative, which seeks to assist your country, along with Bulgaria and Albania, in upgrading transportation systems and in developing a regional approach to transport planning.

More broadly, we are working through another American initiative, SECI—the Southeast Europe Cooperative Initiative—to improve border crossings and customs services throughout the region, to upgrade infrastructure, to develop and enforce uniform regulations, and to help honest, public-spirited officials fight the scourge of corruption that stifles economic development.

One final point on economic development: We strongly support the European Union's efforts to promote intra-Balkan trade, particularly the EU's efforts to build roads, rail lines, power grids, and telecommunications between East and West, linking the Balkan states to one another and to Western Europe.

The ties that increasingly bind you to the EU are especially important because subregional integration, while important and necessary, cannot be a substitute for southeast Europe's integration into Europe as a whole.

That same principle applies in the realm of security: We encourage the development of subregional cooperation—but with the proviso that it take place very much in the context of this country's, and this region's, integration into the larger, more firmly established structures of Europe and the transatlantic community.

That is why even as we enthusiastically endorse the Southeast European Defense Ministerial, which brings together the Defense Ministers of interested neighboring countries to promote cooperation and build confidence, we have also supported the development of a southeast Europe group within the Euro-Atlantic Partnership Council, which gives this region its own distinct collective voice within European councils. My friend and colleague and traveling companion Principal Deputy Undersecretary of Defense Jan Lodal stressed this commitment to your Defense Minister just an hour ago.

He also explained our determination to ensure that our security cooperation takes place not only among ministers at the conference table but also among soldiers in the field. Toward that end, we have worked to facilitate the broadest possible involvement of the nations of southeast Europe in the Partnership for Peace. And let me say that Macedonia has been a model partner since it joined PFP in 1995.

In the security field as in the economic and commercial field, we see subregional integration not as an end but as a means—a means of achieving the overarching goal of transregional and global integration. That goal is especially important in this particular neighborhood of the global village—a neighborhood known as “the Balkans.” That word itself has become a

“The ties that increasingly bind you to the EU are especially important because subregional integration, while important and necessary, cannot be a substitute for southeast Europe's integration into Europe as a whole.”

synonym for isolation, division, hatred, and strife—or, to put it differently, it's an antonym for integration.

Unfortunately, some of your neighbors, especially your fellow former Yugoslav republics, have kept the most negative association of the word "Balkans" all too fresh in the mind of the world. The fratricidal, suicidal, sometimes genocidal blood feuds that wracked Bosnia and Croatia from 1991-95 are the most vivid example. That conflict cost 200,000 lives.

Now the guns are silent. Now the people of that shattered land are rebuilding their lives and their state. That is no small measure thanks to the heroic and skillful efforts of Ambassador Chris Hill in his previous capacity as a key member of the Dayton peacemaking team.

But if Bosnia is to continue on the path to a stable peace, the support of its immediate neighbors will be every bit as critical as the continued involvement of the international community. The countries of this region, including Macedonia, must, for their own sakes, help transform the Balkans from a battle ground into a zone of stability; from a gruesome showcase of man's inhumanity to man into a proving ground for the better angels of our nature. The U.S. will do its part.

Macedonia is a crucial test of our resolve to keep that promise. As you all know, American soldiers are deployed in Macedonia today as part of UNPREDEP—the United Nations Preventive Deployment Force. Earlier today, Ambassador Hill, Secretary Lodal, and I visited an observation post on your northern border. Our host and guide was Lt. Col. Randy Dragon, a superb example of how the United States assigns its very finest officers to the cause of keeping the peace. Col. Dragon's men were clearly proud to be helping to ensure that your country can continue to develop in conditions of regional stability and security—a goal that matters deeply to us, as well as to you.

We believe that when the mandate of the United Nations presence in your country expires in August, it should either be extended or immediately and seamlessly replaced by a successor force that is at least as capable, if not more so, of dealing with the dangerous and deteriorating situation in the region. The purpose of a follow-on force would be to make sure that you can continue the progress toward economic and political reform that you've already made, to protect your internal gains against external jeopardy, and to hasten the day when Macedonia can assume full responsibility for its own security. All of your neighbors—I repeat, all of your neighbors—should support the extension of a sufficiently capable UNPREDEP. Why? Very simply because—as you and they know so well, but as we know, too—Macedonia's fate is intimately connected

with that of other former Yugoslav republics; therefore, stability in this country serves the interest of stability in the region as a whole.

The ongoing violence and upheaval in Kosovo is a stark reminder of the fragility of peace in the Balkans and of the need for continued international engagement here. Those of us who have followed events in this region for a long time have always feared that Kosovo could yet turn out to be the most explosive of all the powder kegs in this part of Europe. If Kosovo truly blows, it could be even worse than Bosnia, hard as that may be for some to imagine, with the risk of war spreading in all directions, including south and east. It has the potential to become the fourth Balkan war of this century.

When Slobodan Milosevic unleashed his interior police and his helicopter gunships against the Kosovar Albanians 2¹/₂ weeks ago, he clearly hoped that the international community would dither and scold and issue feckless warnings while he carried out a lightning campaign of mass expulsions, summary executions, and terror. Fortunately, we have done better than that. Last week, the Foreign Ministers of the so-called Contact Group called for a UN arms embargo against the former Yugoslavia, a freeze on the import of equipment that might be used for the repression of Kosovo, travel restrictions on Serbian officials responsible for the outrages, and a moratorium on various financial and commercial transactions. They also agreed to another set of sanctions that will be imposed if Milosevic has not, by the end of this week, withdrawn his special police units, ceased his campaign of violence and intimidation against the civilian population, allowed humanitarian workers into the region, and committed his regime to a political dialogue with the Kosovar Albanians.

You here in the region know better than anyone that those initial steps will not succeed without steady, firm follow-up on the part of all the countries involved. In the days and weeks and months to come, the international community absolutely must show solidarity and boldness and firmness to get ahead of the vicious cycle under way on the ground in Kosovo. The dire emergency there is directly related to the peace of Europe as a whole, and the implications are potentially disastrous.

But let me make a more positive point and pay Macedonia a compliment. The situation in Kosovo also casts into stark relief just how much better you have managed the challenges of multi-ethnicity here in Macedonia than have the authorities in Belgrade. The circumstances you inherited with the breakup of Yugoslavia were similar to those in Serbia and other former republics. You had an equally diverse population and even greater economic problems. Yet,

so far, at least, you have managed the transition to independence without large-scale bloodshed, upheaval, or repression. In fact, you are the only former Yugoslav republic that can make that claim. Macedonia is living disproof of the ugly cliché that there is something in the air or the water of the Balkans that condemns the people who live here forever to nurture centuries-old grievances and forever to slaughter one another in the name of history, tribe, or faith. For all that, you deserve our admiration—and our continuing support.

I recognize that there have been problems of culture, religion, and ethnicity here in Macedonia. But, in general, you have replaced violence and repression with dialogue, democracy, and tolerance. You've made significant progress in respecting the rights of Macedonian citizens who belong to ethnic minorities—from Albanians to Roma to Serbs, Turks, and Vlachs. It's a hopeful sign that the Albanian party is a member of your government's governing coalition. To his personal credit President Gligorov has made clear that he believes that Macedonia's citizens of Albanian descent should always be represented in its national government.

Moreover, you have reached out across borders, infusing relations with your neighbors with the same conciliatory and cooperative principle that guides your effort to build Macedonian society. It is in that spirit that you provided humanitarian assistance to Albania during its moment of crisis last year, and you have pursued closer relations with Greece.

In taking these and other important strides toward reconciliation and cooperation, Macedonia has found its own answer—the right answer—to the Balkan question, and it is an emphatically European answer, in fact, it's a Euro-Atlantic answer. Over centuries, Europe at its best, at its most peaceful and most prosperous, has defined itself in terms of universal values, not in terms of artificial barriers: a river here; a mountain range there; a concrete-and-barbed-wire wall somewhere else.

In the United States right now, there is a perverse theory in vogue that the Cold War rivalry between communism and capitalism has given way to a global "clash of civilizations," including an irreconcilable conflict between the Judeo-Christian world and the Islamic one. I sense, and I certainly hope, that the majority of Macedonians join me in believing that that theory is wrong, because if it's correct it augurs even worse for your country than for most others. If diverse religions, ethnic groups and cultures are doomed to clash, then we—all of us, but especially you in this part of Europe—

could face catastrophes in the 21st century that will be all too reminiscent of the follies and tragedies that soaked the 20th in blood.

Your many friends around the world hope that Macedonia will do its own considerable part in making sure that we do not have to relive that nightmare. We Americans feel that hope with particular intensity. Like Macedonia, the United States is a democracy that embraces many ethnic groups and many religious faiths. As such, we see the larger Euro-Atlantic community to which we belong as stretching east beyond the Urals and south beyond the Bosphorus. We see the Euro-Atlantic community as including villages and cities where the principal landmarks can be spires on Catholic cathedrals or domes on Orthodox churches or minarets on mosques, or better yet, they can be a mixture of all three.

It's very much with that vision in mind, ladies and gentlemen, that we, your American friends, look to you to continue being an example to your neighbors and to the rest of Europe. We count on you to define Macedonian citizenship and Macedonian statehood in a way that is inclusive rather than exclusive. We count on you, in short, to make sure that civilizations—so many of which have left their legacies on your soil, in your art, in your statuary, and in your blood—to make sure that all these civilizations do not clash. In fact, civilizations and cultures and nationalities should do more than just peacefully coexist, they should enrich each other, just as they have done here in your proud and ancient land since the days of Naum and Clement.

Those monks made their contribution to Europe—and to humanity—near the end of the first millennium. You are making your own contribution near the very end of the second millennium. In fact, the third millennium is almost upon us: It begins in only 1 year, 9 months, 2 weeks, 11 hours, and 15 minutes. We have a lot of unfinished work to do together if we're going to be confident that the century ahead will be better for both our countries than the one we're leaving behind. And we also need to save a little time for a lively discussion. So let's get started. I look forward to your comments and questions.

*The U.S. Government formally and officially refers to The Former Yugoslav Republic of Macedonia, the provisional name under which the country was admitted to the United Nations. The U.S. Government will continue to do so as long as the United Nations is mediating talks on the outstanding differences between the FYROM and Greece. The Deputy Secretary's shortened reference simply to "Macedonia" does not imply any change in the official U.S. Government position on this question. ■

Alan Larson

The Multilateral Agreement On Investment: A Work in Progress

March 6, 1998

Statement by the Assistant Secretary of Economic, Business and Agricultural Affairs before the Subcommittee on International Economic Policy and Trade of the House International Relations Committee, Washington, DC.

Madam Chairperson: I welcome this opportunity to report to the committee on the Administration's objectives in negotiations on a Multilateral Agreement on Investment—MAI. Foreign investment, both inward and outward, makes a crucial and growing contribution to the prosperity of the United States. In 1996, flows of foreign direct investment—FDI—into the United States reached \$78.1 billion while FDI outflows reached \$85.6 billion.

In a globalizing world economy, American firms need a global presence in order to sell effectively. Service industries, which accounted for \$236.8 billion in exports in 1996, almost always need a physical presence on the ground. Increasingly, a foreign presence is also necessary to market effectively exports of goods. All things considered, approximately 26% of U.S. exports are channeled through foreign-based affiliates of U.S. companies.

Inward foreign investment is an important stimulus to our economy. Some 5 million Americans are employed by foreign-owned companies. These firms contribute to our economic success by bringing new technologies. They also pay higher wages than comparable U.S. companies and have greater labor productivity.

Americans have a stake in having a fair and effective framework for international investments. This hearing can contribute to a greater understanding of the challenging issues posed in seeking to develop such a framework. To ensure that interested groups and citizens are fully informed on the MAI, the negotiators have put a draft consolidated text on the internet at www.oecd.org. Additional information on the MAI is available on the State Department web site at www.state.gov as well as the USTR web site at www.ustr.gov.

The fundamental principle underlying this and other investment agreements is the principle of nondiscrimination. Such agreements do

not generally call into question the sovereign right of governments to regulate as long as regulation does not single out or discriminate against investors based on their nationality.

Developing an international framework for treatment of foreign investment is not our only objective in the MAI. Another primary objective is to ensure that the MAI contributes to the achievement of our goal of fostering stronger global efforts to protect the environment, to respect internationally recognized core labor standards, and to achieve sustainable development. Many important issues must be resolved, however, before we will have an agreement that will achieve these objectives.

The basic architecture of the MAI follows the familiar lines of the 41 bilateral investment treaties that American administrations have negotiated since the mid-1980s and of the investment chapter of the North American Free Trade Agreement. We are, of course, seeking to make improvements wherever we can. The main features of the MAI are expected to include:

- Nondiscrimination—the better of national or most-favored-nation treatment—for our investment abroad and the application of these principles not only after an investment is established but also when an investor is seeking to establish investments;
- Disciplines on performance requirements that distort trade and investment;
- Freedom to make any investment-related transfers, such as profits, capital, royalties, and fees, whether into or out of the country where the investment takes place;
- International law standards for expropriation and compensation, consistent with U.S. legal principles and practice;
- Access to international arbitration for disputes between parties and also for individual investors when they suffer specific harm from alleged breaches of the agreement.

We are negotiating with other members of the Organization for Economic Cooperation and Development—OECD. Our negotiating partners include 29 advanced countries of Europe, Asia, and North America, together with the European Union.* Taken together, these countries are the largest sources of, and the largest destinations for, flows of foreign investment. The OECD has a long track record of dealing with investment issues, as well as the broader social and environmental issues that all modern economies must address. OECD countries tend to have high labor standards and good records on environmental protection.

While OECD countries provide an important critical mass for a multilateral investment agreement, we do not support a closed arrangement. Rather, the agreement will be open for accession by other countries willing and able to accept its obligations.

A number of developing and transition economies are following the negotiations closely, and some have indicated an interest in being charter members. Argentina, Brazil, Chile, Hong Kong, and Slovakia are observers, while Latvia, Estonia, and Lithuania have also indicated their interest in acceding to the MAI.

From the beginning, the United States has insisted that we will not support a MAI that does not result in a satisfactory balance of commitments and meaningful improvements in the access of American firms to foreign markets. At this time, we are unsatisfied with the commitments on the table. Some of our partners are seeking ambiguous and sweeping carve-outs, including proposals by the EU for a carve-out for "regional economic integration organizations" and proposals by several countries for a general carve-out for cultural industries. We also have significant objections to country-specific exceptions requested by many of our negotiating partners. Dramatic improvements will be necessary, and this can come only through careful study and negotiation.

Negotiators also need to give detailed attention to provisions of the agreement dealing with regulatory and enforcement issues. From the beginning, the U.S. delegation has argued that the provisions of this proposed agreement simply cannot interfere with normal, nondiscriminatory regulatory activities in such areas as health, safety, and the environment. In particular, we want to ensure that the expropriation article of the MAI cannot be used inappropriately to challenge regulatory decisions. Other countries, initially skeptical of our proposals, are now more receptive. Hard work will be required to translate this receptivity into satisfactory legal text.

The U.S. is one of the most open economies in the world and generally places few restrictions on foreign investment. Thus, we have little to fear from new multilateral rules.

Nevertheless, we are determined to protect existing measures where we may wish, for important policy reasons, to reserve our right to discriminate or otherwise deviate from our MAI commitments.

We have, for example, taken exceptions to protect existing nonconforming measures at the state and local level. We have proposed other exceptions consistent with those we took

in NAFTA and take in our bilateral investment treaties—BITs. We have been careful to preserve our freedom of maneuver in the future in such areas as programs to support minorities. We have also proposed U.S. exceptions for subsidies and government procurement; these would protect future as well as existing programs which discriminate against foreign investors. However, these last two are areas where our trading partners hope for greater U.S. commitments.

Like our BITs and the investment chapter of NAFTA, the MAI envisions provisions for state-to-state and investor-state dispute settlement. Though rarely used in these agreements, dispute settlement provisions provide an important tool of last resort for U.S. business, especially in countries where legal protections and court systems are not well developed. This may have growing importance as MAI membership expands beyond the OECD members.

It is important to keep the dispute settlement issue in perspective. The U.S. has strong constitutional provisions and an effective court system that provide important protections to foreign investors. The U.S. has a good record of honoring its international commitments. No arbitration cases have been brought against the United States under our BITs or under the NAFTA investment chapter.

"The U.S. is one of the most open economies in the world and generally places few restrictions on foreign investment. Thus, we have little to fear from new multilateral rules. Nevertheless, we are determined to protect existing measures where we may wish, for important policy reasons, to reserve our right to discriminate or otherwise deviate from our MAI commitments."

We are sensitive, however, to the fact that this is a multilateral agreement which would include our major investment partners. In the months ahead, we will take particular care to ensure that the provisions of the agreement are fully consistent with U.S. practice and are sufficiently precise to minimize the likelihood that they would be interpreted in unintended ways.

With respect to the interests of State and local governments, as they requested in the case of the NAFTA, we intend that our States and localities not be responsible for responding to complaints about treatment alleged to be contrary to the obligations of the MAI. If such cases were to arise, the federal government would stand in to defend the case.

The Administration believes a well-designed MAI has the potential to advance American values in such areas as environmental protection and internationally recognized core labor standards. The OECD Secretariat has assembled considerable evidence suggesting that, as a general rule, foreign investment has a favorable impact on environment and labor standards abroad. Certainly, American companies generally take their high standards with them when they operate abroad. In addition, OECD nations have developed one of the few multilateral codes for business and these guidelines for multinational enterprise are going to be associated with the MAI agreement.

The United States has made a series of proposals to strengthen the environmental provisions of the MAI. These proposals affirm the legitimacy of regulation to protect health, safety, and environment as long as it is otherwise consistent with the agreement. Additional proposals recognize the right of each party to establish its own levels of domestic environmental protection and encourage environmental impact assessments for proposed investments involving a governmental action which is likely to have a significant adverse impact on health or the environment.

In addition, we have proposed language to preserve our right to regulate in general. For example, we have proposed language that further explains why the questions of national and most-favored-nation treatment need to be judged by comparing investors or investments that are "in like circumstances." We also have proposed language on transparency to provide for the verification of information to ensure compliance with a party's laws and regulations. We are studying other proposals to further strengthen protection of the environment.

The United States is also giving attention to provisions that will be important to U.S. workers. In addition to the OECD guidelines on multinational enterprises, we are seeking an affirmation of support for internationally recognized core labor standards.

MAI negotiators agree that parties to the MAI should not engage in a "race to the bottom" by lowering their health, safety, and environmental standards, or retreat from their support for internationally recognized core labor standards, in order to attract an investment. There will need to be meaningful commitments in these areas. This is an exceptionally challenging topic, and developing the best approach will take time and will require consultation with interested constituencies. OECD countries, however, broadly share U.S. values in these areas, and the OECD has a long tradition of dealing with environmental and labor concerns. For these reasons, this negotiation provides a good opportunity to tackle a set of issues that our country simply must confront as we move into an ever more globalized economy.

Over the past several years, developing countries have become more interested in and receptive to foreign investment. They recognize the benefits of foreign investment to their economies and people. They know that private foreign investment flows now substantially outpace foreign assistance funds. The interest of developing countries in attracting foreign investment can be seen in the explosion of bilateral investment treaties globally since the beginning of the 1990s—from 435 in 1990 to some 1,300 today. Investment discussions in UNCTAD, the WTO, APEC, and the FTAA are all looking to the MAI as a model for multilateral rules. Several of the transition and advanced developing economies have expressed interest in acceding to the MAI, including the five observers and the Baltics. The value of an MAI will be significantly advanced if a wider group of countries adheres to its provisions.

In order to ensure that any non-OECD signatories of the MAI meet basic environmental and labor standards, we have suggested the possibility of "readiness criteria." These criteria would indicate the ability of new members to the agreement to meeting their commitments on labor and environment. We are studying what type of criteria might be appropriate.

On the margins of the MAI negotiations, we have been working with the Europeans on disciplines to inhibit and deter investment in illegally expropriated property and on principles to address and resolve differences over conflicting jurisdiction. This discussion flows

out of the April 11, 1997, Understanding concluded by Ambassador Eizenstat and EU Commissioner Sir Leon Brittan.

We are seeking European agreement on a global set of disciplines. We would, of course, insist that these global disciplines be applied to expropriated American property in Cuba. We are also working on principles designed to foster better cooperation between the EU and the U.S. in dealing with foreign policy challenges to our shared interests and values. We are making some headway on these issues. Any resolution we might reach would, in the first instance, be implemented bilaterally but could subsequently be incorporated in the MAI once it had entered into force.

As for timing, the MAI is an important and complex arrangement. It is more important to do it right than to do it fast. At a recent high-level meeting, Ambassador Eizenstat and Ambassador Lang made clear the Administration's view that it will not be possible to conclude any agreement, let alone the high-quality agreement we seek, in time for the OECD ministerial in April.

We are convinced that reaching a high-quality agreement will require hard work in narrowing proposed carve-outs, careful attention to regulatory and enforcement issues, and real dialogue with interested constituencies on how to address challenging labor and environmental issues. As we take the time needed to do it right, it is quite possible that we can interest additional non-OECD countries in joining the MAI. Additional members could enhance the agreement's attractiveness as the sound investment policies and the commitments to other policy objectives encompassed in the MAI are embraced by a wider group of countries. Achieving these objectives is a tall order. While success is by no means assured, we have made it clear that we are ready to roll up our sleeves and continue the work.

*OECD member countries include Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, Turkey, the United States, and the United Kingdom. ■

Aurelia E. Brazeal

U.S. Policy on Indonesia

March 24, 1998

Statement by Deputy Assistant Secretary for East Asian and Pacific Affairs before the Senate Foreign Relations Committee, Washington, DC.

Thank you, Mr. Chairman, for inviting me here today to discuss Indonesia. Developments over the past year have taken most observers by surprise. Last spring, investors and corporations worldwide had great confidence in Indonesia. They looked at the country's consistent record of growth, its growing middle class, and saw unlimited potential.

But, the context in which we discuss Indonesia today is vastly changed. The economy is at a standstill; factories closed, and employees idled. There are almost daily protests criticizing the government's handling of the crisis. Today, Indonesia faces a crisis of confidence—a crisis which will take determination and commitment by the Government of Indonesia to overcome.

Early on in the financial crisis, when the Indonesian rupiah first came under pressure, Indonesia was generally applauded for its active response. In August, it permitted the rupiah to float before depleting its reserves. In September, it announced cutbacks in fiscal spending. In October, it called in the IMF to discuss an assistance program.

But the period from November through February saw decreasing confidence that President Soeharto and Indonesia would abide by IMF commitments. Politically connected projects, which had been postponed, were allowed to proceed without explanation. Monetary targets were not met. The extent of the problems in Indonesia's banking sector became clearer, and Indonesia flirted with the idea of a currency board, despite widely held serious concerns. As the value of the rupiah continued to plummet, the debt problems of the private sector became more acute, exacerbating the sense of crisis.

The continuing downward turn of events in Indonesia stands in marked contrast to [South] Korea or Thailand, where the markets perceive that governments are now committed to reform. Indonesia has not convinced the global markets that it is serious about changing

the status quo. Lack of transparency in decision making, cronyism, government crackdowns on dissent, and human rights abuses by the security forces are well documented. With greater media scrutiny of Indonesia, more of the world has learned about these problems.

The political and social costs of the financial crisis have been high. Indonesia has seen gains of 30 years deteriorate seemingly overnight. Where Indonesia averaged 7% growth for nearly two decades, analysts predict negative economic growth over the next year or two. Where inflation measured a manageable 5%-10%, it could potentially reach triple digits this year. And where the value of the rupiah was 2,500 to the dollar, it now hovers between 9,000-10,000. Per capita income has dropped, unemployment is rising rapidly, and basic necessities, including food, have become more expensive.

The economic and financial crisis has produced uncertainty about Indonesia's prospects for political stability. Demonstrations against the adverse effects of the crisis have taken on a political dimension as well, with more frequent calls for the government to stem corruption and step down. Hundreds of these demonstrators have been arrested; a few opposition figures have disappeared. There has been an effort to find scapegoats, whether ethnic Chinese businessmen, currency speculators, or Western governments, to blame for Indonesia's problems. But Indonesia's press remains relatively free to express its views, and criticism of the government is widespread. Indonesia's biggest looming challenge on the political front is maintaining stability and national cohesion at this time of political transition.

Why is Indonesia Important to the U.S.?

With Indonesia facing its worst economic and political crisis since the mid-sixties, one may ask just how U.S. interests are affected. Our strategic and economic interests are served by helping Indonesia restore financial stability and

economic growth. Indonesia has the fourth-largest population in the world. It has immense natural resources and a strategic location. Indonesia controls all or part of every major waterway between the Pacific and the Indian Ocean. The U.S. Pacific Command transits these "SLOC's" in order to support operations in the Gulf. More than half of all international shipping trade traverses these seaways.

Indonesia, and President Soeharto in particular, made ASEAN possible. ASEAN's formation was a result of Indonesia's adopting a more cooperative approach to its neighbors. Over the last 30 years, ASEAN has developed a pattern of cooperation so strong that it has altered the geopolitics of East Asia. The cohesion among ASEAN countries has added to the stability of the East Asian region by allowing smaller countries to band together to form a counterweight to larger regional powers. Though by far the largest member of ASEAN, Indonesia has been careful to ensure that ASEAN has remained an organization of equals. A blow to Indonesia would undermine the integrity of ASEAN as an institution.

The Indonesian Government has strengthened its regional and global influence in international fora over the past several decades. In the Asia Pacific Economic Cooperation—APEC—forum, Indonesia has been a key supporter of a more open regional economy. It helped clinch the success of WTO financial services negotiations by submitting a strongly improved offer in a time of economic crisis. It has taken an active role in trying to resolve regional problems, such as Cambodia. It joined the Korean Peninsula Energy Development Organization—KEDO. It has played a moderating role in multilateral organizations and offered support on important global issues, such as biodiversity, climate change, narcotics control, and counterterrorism. Thus, the stakes in helping Indonesia overcome its current crisis are quite high, both in bilateral and regional terms.

U.S. Response to the Crisis

For all these reasons, we must respond, and we are responding. When fires flamed by drought raged out of control and caused severe environmental damage, we offered C-130's equipped with special aerial fire-fighting systems, and shared satellite photos to help track the worst fires. When the IMF put together its financial support package, we committed \$3 billion as a second line of defense.

In January and February, when the Indonesian rupiah continued to tumble, and there was widespread speculation that the

Indonesian economy might melt down, President Clinton spoke with President Soeharto several times to urge he stay the course and demonstrate vigorous public commitment to the IMF package to which he had agreed. He sent two envoys to the region—Deputy Secretary of Treasury Summers in January and former Vice President Mondale earlier this month—to reinforce that same message. Encouraging Indonesian adherence to the IMF economic adjustment program and helping stabilize the immediate economic crisis are our immediate foreign policy objectives for Indonesia. Those are not our only goals.

We continue to work toward furthering Indonesia's contribution to stability and security, promoting greater respect for democratization and human and worker rights, encouraging a diplomatic resolution to the East Timor dispute, promoting the interests of U.S. companies operating in Indonesia, protecting Indonesia's globally important natural resources, and strengthening defense cooperation aimed at greater military professionalism in the Indonesian armed forces. These all remain priorities and a substantial part of our bilateral dialogue with the Indonesian Government.

Democratization and Human Rights

What are we doing to support these goals? In the area of human rights and democracy, embassy officers have monitored trials of political dissidents, and we have publicly underscored our support for the rights of free speech and free association. USAID funds a number of Indonesian non-governmental organizations, many of which promote democratic principles and better governance, and take active roles in defending the human rights of individuals accused of wrongdoing. We maintain an active dialogue with numerous NGOs pressing for change in Indonesia and with opposition leaders working for a more responsive, pluralistic society. The embassy is in regular contact with all segments of public opinion, including the NGOs and opposition elements, such as Megawati, Amien Rais, and Gus Dur. In a widely publicized step, Ambassador Roy attended a social event hosted by Megawati on the occasion of the Idul Fitri

*Encouraging
Indonesian adherence
to the IMF economic
adjustment program and
helping stabilize the
immediate economic crisis
are our immediate
foreign policy objectives for
Indonesia.*

holiday—the only foreign ambassador to do so—and was quoted in the media, both Indonesian and abroad, as supporting efforts to promote democratization.

On labor issues, we maintain ongoing discussions with Indonesian authorities to urge implementation of internationally accepted labor standards. The Indonesians have accepted our offer to consult on implementation of the new labor law passed in 1997. At the highest levels, we have called on the Indonesian Government to allow imprisoned labor leader Muchtar Pakpahan to receive medical treatment abroad. Assistant Secretary of State Roth met with Pakpahan twice during the past six months.

We have urged the Government of Indonesia to reduce force levels, curb human rights abuses, and improve human rights conditions on East Timor. We continue our efforts to help bring about a resolution of the situation in East Timor and strongly support the UN-facilitated initiative, led by the Secretary General's Personal Representative Jamsheed Marker, between Indonesia and Portugal to reach a satisfactory settlement.

Over the years, we have been the largest international aid donor to East Timor. Our aid programs are designed to improve the lives of average Timorese, while helping them achieve more control over their own lives.

While many of our efforts involve quiet diplomacy, we also have not been reluctant to support public expressions of concern, where appropriate. Last year, we cosponsored a resolution on East Timor at the United Nations Human Rights Commission meeting in Geneva.

Humanitarian Efforts

We recognize the impact the current crisis has had on the average Indonesian and are taking steps to ease some of their hardships. In conjunction with the IMF, World Bank, Asian Development Bank, and other nations, the Administration will work to provide the Indonesian public access to critical food and medical supplies.

We are fortunate that USAID has a program in place in Indonesia, which provided us some flexibility to support social safety net activities, such as maternal and child health care and urban infrastructure projects, which create job opportunities. USAID has provided advisers to GOI to help in developing a bankruptcy law and implementing other IMF-mandated reforms. This is in addition to ongoing USAID activities that aim to strengthen human rights practices, democratization, and good governance, all of which are priorities in our bilateral relationship.

Finally, we are examining the food situation with great care in view of the double impact of the El Nino drought and economic crisis. We intend to provide assistance, as appropriate, and continue to support international efforts to do so as well.

What Next?

Following Soeharto's reappointment as President and the appointment of the new cabinet earlier this month, the new government must now act decisively to restore market confidence by undertaking needed economic reforms. An IMF team is currently in Indonesia to discuss with the government's new economic team how best to overcome the current crisis.

The situation has deteriorated markedly since the most recent reform program was announced in January. These changed circumstances will most likely require some modification in the specifics of the program. In particular, the IMF and the Indonesians are focusing their discussions on five key areas which must be addressed if Indonesia is to overcome its crisis.

But Indonesia, not the international community, has the first responsibility to reverse its economic plight—a responsibility that President Soeharto acknowledged in his recent inaugural speech. Indonesia's vigorous and sustained commitment to IMF reforms offers the best prospect for restoring financial confidence. Until that confidence is restored, a foundation for renewed growth cannot be established. To date, Indonesia's response to the IMF package has been uneven. As a result, market confidence remains weak.

We do not have the luxury of walking away from Indonesia. At the same time, we have to recognize that Indonesia's people and political leaders must shape their own future. We will continue our efforts—both bilaterally and working in conjunction with our international partners—to encourage Indonesia to undertake the economic and political reforms that the markets, and the world community, deem essential.

In conclusion, let me thank you, Mr. Chairman, for providing me the opportunity to speak to you and your colleagues on the subcommittee on Indonesia. After 30 years of progress, Indonesia confronts hard choices. An economic turnaround will take time, as will the development of a more open political system. In the meantime, we should be prepared to be helpful where we can and to continue to reach out to all segments of Indonesian society, in particular, those Indonesians working for a more pluralistic and democratic society and greater respect for human rights. ■



TREATY ACTIONS

MULTILATERAL

Narcotic Drugs

Convention on psychotropic substances. Done at Vienna Feb. 21, 1971. Entered into force Aug. 16, 1976; for the U.S. July 15, 1980. 32 UST 543; TIAS 9725.

Accessions: Austria, June 23, 1997; Hong Kong, July 1, 1997; Kazakhstan, Apr. 29, 1997; Lao People's Democratic Republic, Sept. 22, 1997; Oman, July 3, 1997;¹ Tajikistan, Mar. 26, 1997; Vietnam, Nov. 4, 1997.

United Nations convention against illicit traffic in narcotic drugs and psychotropic substances, with annex and final act. Done at Vienna Dec. 20, 1988. Entered into force Nov. 11, 1990. [Senate] Treaty Doc. 101-4, 101st Cong., 1st Sess. Ratifications: Austria, July 11, 1997;¹ Benin, May 23, 1997; Iceland, Sept. 2, 1997; Kazakhstan, Apr. 29, 1997; Singapore, Oct. 23, 1997;^{1,2} Vietnam, Nov. 4, 1997.

North Atlantic Treaty

Agreement between the parties to the North Atlantic Treaty for the security of information, with annexes. Done at Brussels Mar. 6, 1997.³ *Signatures:* Belgium, Jan. 29, 1998; Italy, Feb. 17, 1998; Portugal, Mar. 5, 1998; Spain, Mar. 11, 1998; Turkey, Feb. 17, 1998; United States, Mar. 9, 1998.

Agreement on the status of missions and representatives of third states to the North Atlantic Treaty Organization. Done at Brussels Sept. 14, 1994.³

Ratifications: Belgium, Mar. 28, 1997; Canada, May 28, 1996; Netherlands, Apr. 24, 1997.

Agreement among the states parties to the North Atlantic Treaty and other states participating in the Partnership for Peace regarding the status of their forces. Done at Brussels June 19, 1995. Entered into force Jan. 13, 1996.

Additional protocol to the agreement among the states parties to the North Atlantic Treaty and the other states participating in the Partnership for Peace regarding the status of their forces. Done at Brussels June 19, 1995. Entered into force June 1, 1996.⁴

Ratification: Spain, Feb. 4, 1998.

Further additional protocol to the agreement among the states parties to the North Atlantic Treaty and the other states participating in the

Partnership for Peace regarding the status of their forces. Done at Brussels Dec. 19, 1997.³ *Signature:* Portugal, Mar. 5, 1998.

Agreement to amend the agreement of Aug. 3, 1959, as amended, to supplement the agreement between the parties to the North Atlantic Treaty regarding the status of their forces with respect to foreign forces stationed in the Federal Republic of Germany. Done at Bonn Mar. 18, 1993. Entered into force Mar. 29, 1998. *Ratification:* Belgium, Feb. 27, 1998.

Agreement to amend the Protocol of Signature to the agreement of Aug. 3, 1959, as amended by agreements of Oct. 21, 1971 and May 18, 1981, to supplement the agreement between the parties to the North Atlantic Treaty regarding the status of their forces with respect to foreign forces stationed in the Federal Republic of Germany. Signed at Bonn May 16, 1994.³ *Ratification:* Belgium, Feb. 27, 1998.

Protocol to the North Atlantic Treaty on the accession of the Czech Republic. Signed at Brussels Dec. 16, 1997.³ [Senate] Treaty Doc. 105-36, 105th Cong., 2d Sess.

Protocol to the North Atlantic Treaty on the accession of Hungary. Signed at Brussels Dec. 16, 1997.³ [Senate] Treaty Doc. 105-36, 105th Cong., 2d Sess.

Protocol to the North Atlantic Treaty on the accession of Poland. Signed at Brussels Dec. 16, 1997.³ [Senate] Treaty Doc. 105-36, 105th Cong., 2d Sess.

Ratifications: Canada, Feb. 4, 1998; Denmark, Feb. 17, 1998; Norway, Mar. 17, 1998.

Prisoner Transfer

Convention on the transfer of sentenced persons. Done at Strasbourg Mar. 21, 1983. Entered into force July 1, 1985. TIAS 10824. *Accession:* Georgia, Oct. 21, 1997.

Ratification: Liechtenstein, Jan. 14, 1998.

Space Station

Agreement concerning application of the Space Station Intergovernmental Agreement pending its entry into force. Signed at Washington Jan. 29, 1998. Entered into force Jan. 29, 1998.

Terrorism

Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Adopted

by the UN General Assembly Dec. 14, 1973. Entered into force Feb. 20, 1977.

Accessions: Brunei Darussalam, Nov. 13, 1997; Moldova, Sept. 8, 1997; Uzbekistan, Jan. 19, 1998.

International convention against the taking of hostages. Adopted by the UN General Assembly Dec. 17, 1979. Entered into force June 3, 1983; for the U.S. Jan. 6, 1985.

Accession: Tunisia, June 18, 1997.

Torture

Convention against torture and other cruel, inhuman, or degrading treatment of punishment. Adopted by the UN General Assembly Dec. 10, 1984. Entered into force June 26, 1977; for the U.S. Nov. 20, 1994.

Accessions: Kyrgyzstan, Sept. 5, 1997; Saudi Arabia, Sept. 23, 1997.

BILATERAL

Antigua & Barbuda

Agreement relating to the employment of dependents of official government employees. Effected by exchange of notes at Bridgetown and St. John's Dec. 23, 1997 and Jan. 27, 1998. Entered into force Jan. 27, 1998.

Canada

Agreement extending the interim agreement of Feb. 3, 1995 for the conservation of salmon stocks originating in the Yukon River. Effected by exchange of notes at Washington Dec. 23 and 24, 1997. Entered into force Dec. 24, 1997.

China

Agreement establishing a consultation mechanism to strengthen military maritime safety. Signed at Beijing Jan. 19, 1998. Entered into force Jan. 19, 1998.

Egypt

Memorandum of agreement concerning the provision of civil aviation assistance. Signed at Washington and Cairo Sept 12 and 14, 1997. Entered into force Sept. 14, 1997.

Germany

Memorandum of understanding for participation in the German Geoscience Challenging Mini-Satellite Payload for Geoscientific Research and Applications (CHAMP) program. Signed at Washington July 31, 1997. Entered into force July 31, 1997.

Madagascar

Agreement regarding the consolidation, reduction, and rescheduling of certain debts owed to, guaranteed by, or insured by the United States Government and its agency, with annexes. Signed at Washington Dec. 16, 1997. Entered into force Mar. 4, 1998.

¹ With declaration(s).

² With reservation(s).

³ Not in force.

⁴ Not in force for the U.S. ■